

* UMASS/AMHERST *



312066 0285 3189 3

Lacks: 24

Digitized by the Internet Archive
in 2010 with funding from
Boston Library Consortium Member Libraries

Annual

REPORT

OF THE

BOARD OF RETIREMENT.

JANUARY, 1913.



BOSTON:
WRIGHT & POTTER PRINTING CO., STATE PRINTERS,
18 POST OFFICE SQUARE.
1913.

APPROVED BY
THE STATE BOARD OF PUBLICATION.

BOARD OF RETIREMENT.

ELMER A. STEVENS, *Chairman.*

CARL A. RAYMOND.

CHARLES A. ANDREWS.

The Commonwealth of Massachusetts.

REPORT.

OFFICE OF THE BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, Jan. 15, 1913.

To the Honorable Senate and House of Representatives.

By the enactment of chapter 532 of the Acts of the year 1911 the General Court provided a retirement system for employees in the service of the Commonwealth and of the metropolitan district. Previously there had been established pension or retirement systems for specific classes of persons in the service of the Commonwealth,—for judges, for veterans of the civil war, for certain persons employed at the prisons and reformatories, and for the metropolitan park and the district police officers. The act of 1911 was the first retirement act of general scope, and by its terms it affected a maximum number of some 6,200 persons. The general scheme upon which this law is constructed is that upon completion of not less than thirty-five years of continuous service any employee may retire at will; that upon the completion of not less than fifteen years of continuous service any employee may retire or may be retired upon reaching the age of sixty years; and that every employee in the Retirement Association, upon reaching the age of seventy years, shall be retired.

There is deducted from the salary or wages of every member of the Retirement Association, as often as it is paid to him, an amount not less than 1 per cent. nor more than 5 per cent. of his salary or wages up to \$30 per week. The amounts so deducted, with their earnings, form a fund which at the retirement of the individual purchases for him an annuity, the amount of which is determined by a mortality table. At his

retirement, also, the Commonwealth gives him a pension equal to the annuity which his contributions have purchased. The annuity and pension are paid together, monthly, by the State Treasurer during the life of the annuitant. The law provides a maximum retirement allowance of one-half of the average pay received during the ten years preceding retirement, and a minimum allowance of \$200 a year.

With reference to those persons in the employ of the Commonwealth at the time the law took effect, many of whom had given many years to the service, the law as originally enacted and as amended by chapter 363 of the Acts of the year 1912 provides that the amount of the retirement allowance shall be the same as though the act had been in effect during the whole of their service, and they had been contributing to the retirement fund during all the years of their employment. In other words, the person entering the service after the law went into effect will, upon retirement, receive an annuity purchased in full by his contributions and a pension of like amount given him by the Commonwealth; the person already employed at the time the law went into effect will receive, upon retirement, if he elected to become a member of the Retirement Association, a pension equal to an annuity such as would have resulted from his contributions if he had contributed during the whole period of his service, and a further pension of like amount. In the case of this latter class of employees the whole of the pension and a part of the pension annuity, greater or less, depending upon the length of prior service, will be given by the Commonwealth.

By the terms of the law, all permanent employees entering the service after it went into effect become members of the Retirement Association, and contribute to the annuity fund. To every employee in the service on Jan. 1, 1912, the law gave a choice as to whether he would become a member of the association by providing that every employee should become a member unless, not later than Jan. 31, 1912, he, in writing, informed the Insurance Commissioner of his desire not to be included in the membership.

On Jan. 1, 1912, there were eligible to membership in the association some 6,200 employees. On Feb. 1, 1912, 2,874 indi-

viduals had declined to become members and 3,324 were members of the Retirement Association. The total number of eligible employees in the service of the State and metropolitan departments on Jan. 1, 1912, was 1,258. Of these, 924, or over 72 per cent., became members. In the institutions there were eligible 4,940 persons. Of these, 2,400, or about 49 per cent., became members. It is worthy of note that in the departments where civil service tenure holds the percentage of membership is large, while in the institutions where tenure is less secure, slightly less than half of the employees entered the Retirement Association. One other factor besides uncertainty of tenure is likely to have had its effect upon the employees in their decision as to whether or not they should become members,—that is, their failure to secure a clear understanding of the effect upon them of membership in the association. Circulars had been sent out and an earnest attempt had been made to present to every employee the essential facts as to the retirement system. There is evidence that many individuals failed to get a clear understanding, however, and thus declined membership which they ought to have accepted for their own best interests. The question is likely to arise as to whether these employees ought not to be given another opportunity to become members. The Board of Retirement does not now make any recommendation upon this point for the reason that its members are firmly of the opinion that no substantial changes in the law are advisable until a somewhat more extended trial of it has been had.

One other feature of the law worthy of mention is its provision that if an employee leaves the service before reaching the retirement age there shall be paid back to him, or his estate, the amount of money actually contributed by him, with interest.

The administration of this law was placed in the hands of a Board of Retirement composed of the Treasurer and Receiver-General, *ex officio*, a member of the association elected by members, and a third person chosen by these two. The duty of conducting an election was placed upon the Insurance Commissioner, who gave to the members of the association an opportunity to send in their ballots by mail. In the month of February, 1912, the association thus elected, as the second member of the

Board, Mr. Carl A. Raymond, second Deputy Auditor, and the membership of the Board was completed by the selection as its third member of Mr. Charles A. Andrews, the Deputy Tax Commissioner.

In general, the law is but a skeleton. The Board of Retirement is authorized to make such rules and by-laws as may be necessary, not inconsistent with the provisions of the act. The problems of administration confronting the Board were many; most of them were difficult, because there was no available experience in other States upon which reliance could be placed. As rapidly as possible, however, the policy of the Board was established, and the details of office organization were settled. The retirement system became fully operative on June 1, 1912, and from all salaries or wages accruing to members of the association after that date deductions were made. One of the most perplexing questions to be determined was the rate of deduction. The law provided that it should be not less than 1 nor more than 5 per cent. of the salary or wages, not exceeding \$30 a week. It appeared to be impossible to establish any general plan of percentages which should accomplish the same proportionate retirement allowance for all members, since there was no information as to ages upon which employees would retire. After many weeks of consideration the Board determined that each employee should contribute 3 per cent. of his cash salary or wages, unless he should elect to contribute 5 per cent., and every member was given one month in which to exercise his choice. The number of those electing to contribute 5 per cent. was 1,074.

In every case where the member is paid his salary directly by the Treasurer and Receiver-General the amount of the deduction is figured in the office of the Board of Retirement and the deduction from his pay is made by the Treasurer. In cases where salaries or wages are paid by some disbursing officer, as in the institutions, the deductions are figured and are made by such officer, who reports his doings regularly to the Board and who sends to it his check covering the amount of the deductions he has made. The clerical staff of the Board of Retirement reviews in detail all work thus performed by the different disbursing officers, and the Board has in its office at all times

a full exhibit of the account of each member of the association. The number of separate deductions thus made by the clerks of the Board and by the disbursing officers at the institutions is about 3,300 each month. The total amount of money deducted from the pay of members of the association between June 1 and Nov. 30, 1912, is \$47,500.76. Twelve members have died and 327 have left the service since June 1; the amount of refunds in these cases has been \$1,365.94.

On June 1, when the retirement system became operative, 27 persons retired. Twenty-four of these had reached age seventy and thus were compelled to retire, and 3, being more than sixty years of age, retired at their own election. Since June 1, 18 other persons have retired, 1 of whom had reached age seventy. The total amount of the retirement allowances paid to the 45 individuals who have retired previous to December 1 is \$5,353.78. The largest single annual allowance is \$743.33, and 24 individuals are receiving the minimum allowance of \$200 a year. The length of service performed by those who have retired varies, but it is interesting to note that one individual had given fifty-five years of his life, and another forty-seven years, to the service of the Commonwealth.

The Board has established a system of reimbursement to the institutions whose disbursing officers perform services in the matter of deductions, and at the close of the fiscal year had paid to such institutions a total amount of \$1,102.99. This item is much smaller than would be the cost of hiring clerks of our own to visit the institutions and there perform the necessary work. Reimbursement was considered wise in order that, so far as possible, the cost of operating the retirement system may at all times be in evidence. The estimate made by the special commission which investigated the whole matter of a retirement system three years ago was that the annual cost of its administration, exclusive of retirement allowances, would be \$25,000. It is gratifying to be able to report, therefore, that for the part year in which it has been in operation the total administration expenses have been only \$5,082.66, and that for the full fiscal year of 1913 the Board asks for only \$8,500.

As to the cost for retirement allowance it is, of course, too early to make definite statements. The Board has asked for

an appropriation for this purpose of \$32,000, which is the best estimate it can make. The uncertainty in this matter is due to the fact that any employee may retire at will any time after completing fifteen years of service and attaining age sixty. Our experience is not yet sufficiently extensive to justify any very definite conclusions as to the rapidity of such retirements; neither is it possible yet for the Board to set forth any conclusions as to the effect of this retirement system upon the service as a whole. It is significant, however, that no head of a department or institution has asked for the retirement of a single individual. It is possible, of course, that there are no employees under age seventy, and yet eligible to retirement, who have so far become inefficient that the good of the service requires their retirement. It is scarcely to be believed, however, that this rule holds true among 3,300 employees. The spirit of the law appears to be that heads of departments and institutions shall request the Board of Retirement to retire such as have become unable to perform efficient service. The Board intends to consider this aspect of the matter at an early date, and to call it specifically to the attention of executive officers of the Commonwealth, since the Board believes that the law will fail of its full purpose if it does not help to produce an improved service as well as afford assistance to those individuals who retire under its provisions.

RECOMMENDATIONS OF THE STATE BOARD OF RETIREMENT.

Clause (b) of the second paragraph of section 8 of chapter 532 of the Acts of 1911 provides that if a member of the Retirement Association dies before becoming entitled to a pension, there shall be paid back to his legal representatives such contributions as he has made to the retirement system.

It has already happened, and presumably may frequently happen in the future, that no administrator or executor is appointed to care for the estate of such a deceased person, the reason being that the estate is of such small value that to put it through the probate court would cost more than the proceeds of the whole estate.

The Attorney-General has informed us that the term "legal

representatives" as used in this clause can mean nothing more than the executor or administrator. To compel the appointment of an executor or administrator of these small estates for the purpose of receiving refunds from the retirement fund would be a hardship. We therefore ask authority to provide for the payment of small sums as they become due to interested persons other than the legal representatives of the estate, and we have submitted a bill designed to accomplish this.

ELMER A. STEVENS,
CARL A. RAYMOND,
CHARLES A. ANDREWS,
Board of Retirement.

LAW RELATING TO BOARD OF RETIREMENT.

CHAPTER 532, ACTS OF THE YEAR 1911, AS AMENDED BY CHAPTER 363, ACTS OF THE
YEAR .

AN ACT TO ESTABLISH A RETIREMENT SYSTEM FOR THE EMPLOYEES OF THE COMMONWEALTH.

SECTION 1. In this act, unless the context otherwise requires:—

(a) The words "retirement system" mean the arrangements provided in this act for the payment of pensions.

(b) The word "annuities" means the payments for life derived from money contributed by the employees.

(c) The word "employees" means permanent and regular employees in the direct service of the commonwealth or in the metropolitan district service, whose only or principal employment is in such service.

(d) The word "pensions" means the payments for life derived from money contributed by the commonwealth.

(e) The words "regular interest" mean interest at three per cent per annum compounded semi-annually on the last days of December and June, and reckoned for full three and six months' periods only.

(f) The words "continuous service" mean uninterrupted employment, with these exceptions: a lay-off on account of illness or reduction of force, and a leave of absence, suspension or dismissal followed by reinstatement within one year. As to appointees of the sergeant-at-arms the interval between sessions of the general court shall not be considered as breaking the continuity of service.

In the case of employees of any department or institution formerly administered by a city, county or corporation and later taken over by the commonwealth, service rendered prior to such transfer shall be counted as a part of the continuous service for the purposes of this act.

ESTABLISHMENT OF RETIREMENT SYSTEM.

SECTION 2. The retirement system shall be established on the first day of January or the first day of July following the expiration of three months after the date on which this act takes effect.

THE RETIREMENT ASSOCIATION.

SECTION 3. A retirement association shall be organized among the employees of the commonwealth, including employees in the metropolitan district service, as follows:

(1) All employees of the commonwealth, on the date when the retirement system is established, may become members of the association. On the expiration of thirty days from said date every such employee shall be considered to have elected to become, and shall thereby become, a member, unless he shall have within that period, sent notice in writing to the state insurance commissioner that he does not wish to join the association.

(2) All employees who enter the service of the commonwealth after the date when the retirement system is established, except persons who have already passed the age of fifty-five years, shall upon completing ninety days of service become thereby members of the association. Persons over fifty-five years of age who enter the service of the commonwealth after the establishment of the retirement system shall not be allowed to become members of the association, and no such employee shall remain in the service of the commonwealth after reaching the age of seventy years.

(3) No officer elected by popular vote may become a member of the association, nor any employee who is or will be entitled to a pension from the commonwealth for any reason other than membership in the association.

(4) Any member who reaches the age of sixty years and has been in the continuous service of the commonwealth for a period of fifteen years immediately preceding may retire or be retired by the board of retirement upon recommendation of the head of the department in which he is employed, and any member who reaches the age of seventy must so retire.

(5) Any member who has completed a period of thirty-five years of continuous service may retire, or may be retired at any age by the board of retirement upon recommendation of the head of the department in which he is employed, if such action be deemed advisable for the good of the service.

(6) Employees who are paid partly by the commonwealth and partly by a county having a retirement system shall be enrolled as members of the state retirement association. Such employees shall be assessed on their full wages or salaries and the assessments on the part of such wages or salaries paid by the county shall be deducted by the treasurer of the county and turned over by him

to the retirement association fund of the commonwealth. When any such employee is retired under the provisions of this act the treasurer of the commonwealth shall be reimbursed out of the treasury of the county for a part of the pension payments to such employee equivalent to the amount of the annuity payable on the assessments on that part of his wages or salary paid by the county which was deducted and turned over to the retirement association fund of the commonwealth in the manner hereinbefore provided.

THE BOARD OF RETIREMENT.

SECTION 4. (1) The management of the retirement system is hereby vested in the board of retirement, consisting of three members, one of whom shall be the state treasurer; the second member shall be a member of the association elected by the latter within sixty days after the date on which the retirement system is established, in a manner to be determined by the state insurance commissioner; the third member shall be chosen by the other two members. In case of the failure of the latter to choose the third member within thirty days after the election of the second member, the governor shall appoint the third member. The first person so chosen or appointed as third member shall serve for two years; otherwise and thereafter the term of office of the two elected members shall be three years. On a vacancy occurring in the board for any cause or on the expiration of the term of office of any member, a successor of the person whose place has become vacant or whose term has expired shall be chosen in the same manner as his predecessor.

(2) The members of the board of retirement shall serve without compensation; but they shall be reimbursed out of the contingent fund for any expense or loss of salary or wages which they may incur through service on the board. All claims for reimbursement on this account shall be subject to the approval of the governor and council.

(3) The state treasurer shall have charge and control of the funds of the system, subject to the approval of the board of retirement, and shall invest and reinvest the same, and may from time to time sell any securities held by him and invest and reinvest the proceeds, and any and all unappropriated income of said funds: *provided, however,* that all funds received by him, and not required for current disbursements, shall be invested in accordance with the provisions of the laws of this commonwealth relating to the investment of the funds of savings banks. He shall in the investment

of the funds give preference to the securities that are legal for the investment of the sinking funds of the commonwealth. He may, whenever he sells such securities, deliver the securities so sold upon receiving the proceeds thereof, and may execute any and all documents necessary to transfer the title thereto.

(4) The board of retirement shall have power to make by-laws and regulations not inconsistent with the provisions of this act, and to employ such clerical or other assistance as may be necessary for the fulfillment of its purposes, subject to the approval of the governor and council.

(5) The board shall determine the percentage of wages or salary that employees shall contribute to the pension fund, subject to the minimum and maximum percentages, and shall, furthermore, have the power to classify employees for the purposes of the retirement system and to establish different rates of contribution for different classes within the prescribed limits.

(6) The state treasurer shall, in January of each year, unless for cause the insurance commissioner shall have granted an extension of time, file in the office of the insurance commissioner a sworn statement, which shall exhibit the financial condition of the retirement system on the thirty-first day of the preceding December, and its financial transactions for the year ending with said day. The said statement shall be in a form approved by the insurance commissioner, and shall show, among other things, the liability of the retirement system on account of the following items:—

A. Deposit Reserves.

The total of the deposits of the members actually received by the treasurer or due from the commonwealth under section five, (2) *A*, and held subject to withdrawal by such members.

B. Interest Reserve.

Regular interest on such deposits.

C. Annuity Reserve.

The net value of the annuities entered upon under section six, (2) *B*, on the basis of the mortality tables and interest rates provided for in this act.

D. Expense and Contingent Fund.

(a) The unexpended portion of the amounts received under section five, (1).

(b) The contingent fund.

E. Gifts and Bequests.

The amounts received as gifts or bequests and held under the terms of such gifts or bequests.

F. Other Liabilities.

All other liabilities.

G. Surplus.

(a) *Annuity Surplus.* — The undistributed surplus arising from annuity deposits.

(b) *Other Surplus.* — All unassigned funds.

CREATION OF THE RETIREMENT FUND.

SECTION 5. The funds of the retirement system shall be raised as follows:—

(1) *Expense and Contingent Fund.*

The general court shall appropriate annually such an amount as may be necessary to defray the whole expense of administration, according to estimates prepared by the treasurer.

(2) *Annuity and Pension Fund.*

A. *Deposits by Members.* — Each member shall deposit in this fund from his salary or wages, as often as the same are payable, not less than one per cent and not more than five per cent of the amount of his wages or salary, as determined by the board of retirement under the provisions of section four (5): *provided, however,* that employees who receive more than thirty dollars weekly in salary or wages shall not be assessed for contribution to this fund on the excess above that amount.

B. *Contributions of the Commonwealth.* — (a) Each month the commonwealth shall contribute such amount as the board of retirement may determine to be necessary to pay current pensions for subsequent service, under section six, (2) C (a).

(b) Each year, in January, the commonwealth shall contribute an amount equal to the surplus arising from annuity deposits. In case there should be a deficiency arising from such annuity deposits, instead of a surplus, then the commonwealth shall make good the deficiency.

(c) Each month the commonwealth shall contribute such amount as the board of retirement may determine to be necessary to pay current pensions for prior service under section six, (2) C (b).

(d) Each month the commonwealth shall contribute such amount as the board of retirement may determine to be necessary to ensure the minimum payments provided for in section six, *E*.

(3) Provision for Payments.

All amounts payable by members of the association under paragraph (2) *A* of this section shall be deducted by the commonwealth from the amounts payable to them as salary or wages, as often as the same are payable, and shall immediately be credited to the retirement fund by the state treasurer.

DISTRIBUTION OF FUNDS.

SECTION 6. The state treasurer shall administer the funds of the pension system in accordance with the following plan:—

(1) Expense and Contingent Fund.

The fund provided for by section five, (1), shall be used, so far as may be necessary, for the payment of the expenses of administration. The portions not so used, if any, shall be repaid into the treasury of the commonwealth. In case the amount appropriated for the expense of a contingent fund in any year should prove insufficient, the commonwealth shall appropriate in the following year such additional sum as may be required to cover the deficit.

(2) Annuity and Pension Funds.

A. Refunds. — (a) Should a member of the association cease to be an employee of the commonwealth for any cause other than death before becoming entitled to a pension, there shall be refunded to him all the money paid in by him under section five, (2) *A*, with regular interest.

(b) Should a member of the association die before becoming entitled to a pension, there shall be paid to his legal representatives all the money paid in by him under section five, (2) *A*, with such interest as shall have been earned on such deposits.

B. Annuities from Employees' Deposits. — Any member who reaches the age of sixty years and has been in the continuous service of the commonwealth for fifteen years immediately preceding, and then or thereafter retires or is retired, any member who retires or is retired at the age of seventy years, and any member who is retired for the good of the service under the provisions of section three, (5), shall receive an annuity to which the sum of his de-

posits under section five, (2), with regular interest, shall entitle him, according to the tables adopted by the board of retirement, in one of the following forms:—

(a) A life annuity, payable monthly.

(b) A life annuity, payable monthly, with the provision that in the event of the death of the annuitant before receiving payments equal to the sum, at the date of his retirement, of his deposits under section five, (2) A, with regular interest, the difference shall be paid to his legal representatives.

C. Pensions derived from Contributions by the Commonwealth.

— (a) Pensions based upon subsequent service. Any member entitled to an annuity under paragraph (2) B of this section shall receive in addition thereto a pension for life payable monthly equivalent to that annuity, to be paid out of the fund contributed by the commonwealth under the provisions of section five, (2) B (a).

(b) Pensions based upon prior service. Any member of the association who reaches the age of sixty years, having been in the continuous service of the commonwealth for fifteen years or more immediately preceding, and then or thereafter retires or is retired, and any member who completes thirty-five years of continuous service and then or thereafter retires or is retired, shall receive in addition to the annuity and pension provided for by paragraphs (2) B and C (a) of this section, an extra pension for life as large as the amount of the annuity and pension to which he might have acquired a claim if the retirement system had been in operation at the time when he entered the service of the commonwealth, and if accordingly he had paid regular contributions from that date to the date of the establishment of the retirement association at the same rate as that first adopted by the board of retirement, and if such deductions had been accumulated with regular interest.

In the case of employees who are paid partly by the commonwealth and partly by a county having a retirement system, or who have rendered service in the past both for the commonwealth and for such county, all of the continuous service rendered by any such employee either for the commonwealth or for the county before the establishment of the retirement system shall be counted as part of the prior service for the purposes of this act.

In the case of members of the association related as husband and wife, if one of the two retires or is retired the other shall have the right also to retire, and shall be paid a retiring allowance proportionate to the amount of his or her accumulated contributions

to date, or, in case the allowance thus calculated is less than the minimum allowance of two hundred dollars hereinafter provided for, shall be paid that sum annually.

If the accumulated contributions of any employee retired under the provisions of this act exceed the amount required to provide an annuity equal to one fourth of the average wages or salary of such employee during the last ten years prior to his retirement, the excess above that amount shall be paid to such employee in a lump sum with the first monthly payment on the account of his retiring allowance.

Any employee who had already reached the age of fifty-five years on the date when the retirement system was established, and also became a member of the association may be retired under the provisions of the preceding paragraph [intending to refer to paragraph (2) C (b) of section 6] without having completed the otherwise required service period of fifteen years. For the purpose of computing any pension payable for prior service, the board of retirement may estimate on the basis determined by them the wages received at any period for which they may deem it impracticable to consult the original records.

Any employee not a member of the association who had already reached the age of fifty-five years on the date when the retirement system was established may be retired at any time and shall be paid a pension equivalent to the minimum payment hereinafter provided for.

D. Application of Surplus. — The board of retirement shall have power to determine the application of any surplus, as defined under section four, (6) G, subject to the approval of the insurance commissioner.

E. Minimum and Maximum Payments. — In no case shall the total monthly payment to a member be at a rate less than two hundred dollars per year, or at a rate more than one half the amount of the average salary or wages received by the member during the ten years prior to his retirement.

F. Association Membership and Pension Certificate. — Membership in the association shall be evidenced by a certificate to be issued to each member by the board of retirement, and the right to an annuity or a pension shall be evidenced by a policy to be issued to each member who retires or is retired by the board of retirement.

TAXATION, ATTACHMENTS AND ASSIGNMENTS.

SECTION 7. The funds of the retirement system, so far as they are invested in personal property, shall be exempt from taxation.

That portion of the wages of a member deducted or to be deducted under this act, the right of a member to an annuity or pension, and all his rights in the funds of the retirement system shall be exempt from taxation, and from the operation of any law relating to bankruptcy or insolvency, and shall not be attached or taken upon execution or other process of any court. No assignment of any right in or to said funds shall be valid.

SUPERVISION BY INSURANCE COMMISSIONER.

SECTION 8. The insurance commissioner shall prescribe for the retirement system of the commonwealth one or more mortality tables, and shall determine what rates of interest shall be established in connection with such tables, and may later modify such tables or prescribe other tables to represent more accurately the expense of the retirement system, or may change said rates of interest and may determine the application of the changes so made. He shall also prescribe and supervise the methods of bookkeeping of the retirement association formed under the provisions of this act.

The insurance commissioner shall at least once in each year, either personally or by deputy or assistant, thoroughly inspect and examine the affairs of the retirement association to ascertain its financial condition, its ability to fulfill its obligations, whether all parties in interest have complied with the provisions of law applicable to the retirement association, and whether the transactions of the board of retirement have been in accordance with the rights and equities of those in interest. The retirement system shall be credited, in the account of its financial condition, with the amounts due from the commonwealth, under the provisions of section five, (2) *B* (*a*), its investments having fixed maturities upon which the interest is not in default at amortized values, and its other investments at a reasonable valuation.

For the purposes aforesaid, the insurance commissioner or other persons making examination shall have access to all the securities, books and papers of the retirement system, and may summon and administer oaths and examine as witnesses the members of the board of retirement or any other person relative to the financial affairs, transactions and condition of the retirement system. The

insurance commissioner shall preserve in a permanent form a full record of the proceedings at such examination, and the results thereof. Upon the completion of such examination, verification and valuation, the insurance commissioner shall make a report in writing of his findings to the board of retirement, and shall send a copy thereof to the governor and the executive council of the commonwealth.

SECTION 9. If, in the judgment of the insurance commissioner, the commonwealth or the board of retirement has violated or neglected to comply with any of the provisions of this act, or of the rules and regulations established by the board of retirement hereunder, he shall give notice thereof to the governor of the commonwealth and to the board of retirement, and thereafter if such violation or neglect continues shall forthwith present the facts to the attorney-general for his action.

SECTION 10. The superior court shall have jurisdiction in equity upon petition of the insurance commissioner or of any interested party to compel the observance and restrain the violation of this act, and of the rules and regulations established by the board of retirement hereunder.

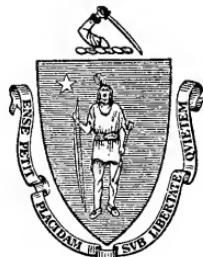
SECTION 11. This act shall take effect upon its passage.

REPORT

OF THE

BOARD OF RETIREMENT.

JANUARY, 1914.



BOSTON:

WRIGHT & POTTER PRINTING CO., STATE PRINTERS,
32 DERNE STREET.

1914.

APPROVED BY
THE STATE BOARD OF PUBLICATION.

BOARD OF RETIREMENT.

ELMER A. STEVENS, *Chairman.*

CARL A. RAYMOND.

CHARLES A. ANDREWS.

The Commonwealth of Massachusetts.

BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, Jan. 13, 1914.

Hon. GRAFTON D. CUSHING, *Speaker of the House of Representatives.*

DEAR SIR:— I transmit to you herewith for the use of the Legislature the annual report of the Board of Retirement for the year ending Nov. 30, 1913.

Respectfully yours,

ELMER A. STEVENS,
Chairman, Board of Retirement.



The Commonwealth of Massachusetts.

REPORT.

BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, Jan. 15, 1914.

To the Honorable Senate and House of Representatives.

By the enactment of chapter 532 of the Acts of the year 1911 the Commonwealth established a retirement system for her employees not included in retirement or pension systems previously established. This act went into full effect on June 1, 1912. The report submitted by the Board of Retirement last year, therefore, covered a period of operation of only six months. The report now submitted covers a full year and affords the first review upon which can be based any reasonable conclusions as to the probable future development of the retirement system and of its scope and cost.

On Dec. 1, 1912, there were 3,121 members of the Retirement Association. On Dec. 1, 1913, there were 4,020 members. During the year 1,522 individuals have joined the association and 589 have forfeited membership therein by reason of death or resignation before becoming eligible to a retirement allowance. In addition, 34 have been retired, 8 by reason of reaching the age of seventy years, and 26 at their own request, at the age of sixty or over. In addition to those, retirement allowances have been voted to 2 employees who had declined membership in the association but who were, nevertheless, eligible to retirement upon the minimum allowance of \$200. By chapter 310 of the Acts of 1913 there was extended to those in the service on Jan. 1, 1912, who had declined membership in the association, another opportunity to join the association at any time previous to Jan. 1, 1914. This legislation was not requested by the Board of Retirement, although the matter was discussed in its last annual report. Many had declined membership because of a failure to appreciate the requirements,

benefits and obligations of membership. By virtue of this act 160 have joined the association; of these, 93 are employed at the institutions and 67 in the State or metropolitan departments. The membership of the association was increased 1,362 by the compulsory entrance of employees who have entered the service since Jan. 1, 1912, and, who had, during the past year, completed a probationary period and have thus become "permanent and regular" employees within the meaning of the law. By deducting from this number the number of those who have died, who have resigned and who have been retired we find an increase in membership of 739. This indicates with considerable accuracy the expansion of the State service during the past year.

Since the law became operative on June 1, 1912, 81 employees have been retired, of whom 36 were retired during the past year; 6 annuitants have died since retirement so that retirement allowances are now being paid to 75 former employees. Of this number 27 were retired at the age of seventy, and 48 retired of their own volition.

The total amount paid to these retired employees during the year ending Dec. 1, 1913, as pensions was \$17,576.31; the largest yearly amount payable to any individual was \$905.14; the number of those who received the maximum retirement allowance, *i.e.*, one-half of the average of salary for the ten years preceding retirement, was 19; and the average annual retirement allowance paid to the whole number who benefited by the system during the year was \$290.52.

The funds of the association have increased from \$47,500.76 on hand Dec. 1, 1912, to \$151,426.93 one year later. No distribution of surplus to the individual accounts has been made, since the accrued surplus is too small to divide satisfactorily among more than 4,000 participants.

The essential facts as to the membership and the finances of the Retirement Association appear in the following tables:—

Comparative Statement of Membership, as of November 30.

YEAR.	Admitted during Year.	REFUNDS.		NUMBER RETIRED.			MEMBERSHIP.			Key Number.
		Death.	All Others.	Volun- tary.	Compul- sory.	Non- members.	Novem- ber 30.	3 Per Cent. Basis.	5 Per Cent. Basis.	
1912,	.	181	12	327	20	25	—	3,121	—	3
1913,	.	1,522	7	582	26	8	2	4,020	2,630	1,390

Membership, Feb. 1, 1912, 3,324.

Comparative Financial Statement, as of November 30.

YEAR.	Gross Deposits.	Income on Invest- ments,	Interest credited Members' Accounts.	REFUNDS. ¹		AMOUNT EXPENDED.			Expense of Admin- istration. ²	
				Death.	All Others.	PENSIONS.		Prior. Subsequent.		
						Annuities.	Prior.			
1912,	\$47,500 76	\$198 36	—	\$22 73	\$1,343 21	\$2 29	\$5,341 42	\$2 29	\$5,082 66	
1913,	151,426 93	3,197 22	\$1,227 73	354 54	6,540 04	72 34	17,503 97	72 34	6,019 37	

¹ Includes deposits and interest.² Includes salaries and contingent expenses.

It can be seen that the retirement system is now fully established; that it covers a large percentage of employees; that it both makes possible and necessary retirement from the service at a time when inefficiency is likely to be in evidence; and also it affords to those retired, at least in part, a living income. There is in the law no general disability clause allowing the retirement of any individual before he has become sixty years of age. The Board has not specifically studied the matter of the probable effect of the insertion of such a provision, though it has heard of individual cases where persons are kept in the service though largely incapacitated, apparently because of the real hardship which would follow dismissal. If the retirement system exists chiefly for the benefit of the service, as we believe it does, the question of retirement for disability is likely to arise at any time, and will in our judgment merit careful consideration.

In other pension systems it is claimed to have been found that because of approaching retirement certain employees have relaxed their efforts for good service in the belief or knowledge that even so they will be continued in the service until the retirement age arrives. No evidence of such a situation among the members of the Retirement Association has been brought to our attention. It is not likely to exist in the class of employees in most of the departments and institutions for the reason that such habits of attention and effort as have been formed by long years of employment must in general have a compelling force upon their possessors, and because in general there is an excellent standard of discipline in the several departments and institutions.

The retirement system established by chapter 532 of the Acts of 1911 is not the only pension system affecting State employees. For the judges, members of the metropolitan park police, members of the district police, prison officers and instructors, and for veterans of the civil war in the State service separate pension systems have been established and are in operation. In none of these systems does the contributory principle prevail; in each of them retirement upon half pay or more is possible upon the reaching of a stated age or upon the completion of a stated period of service;

in some of them retirement for disability is possible; and in at least one there is provision for a pension to the widow and young children of the deceased employee who loses his life in the performance of his duty. The following table shows the amounts paid by the Commonwealth during the past year to pensioners under each of those five systems, the number of persons in each system who receive the pensions, together with similar figures for the Retirement Association.

BOARD OF RETIREMENT.

[Jan.

Comparison of Monthly Pensions paid Preferred Pensioners with those retired under the General Retirement Act, Chapter 532, Acts of the Year 1911.

MONTH.	Judges.	Police.		Prison Officers.	Veterans. ¹	Total.	Under Chapter 532.
		Metropolitan Park Commission.	District.				
December,	• • • • •	\$1,631 25 (4)	—	\$62 50 (1)	\$4,652 99 (85)	\$6,995 93	\$1,111 39 (47)
January,	• • • • •	1,447 78 (4)	—	62 50 (1)	649 15 (11)	4,740 39 (86)	6,899 82
February,	• • • • •	1,193 75 (3)	—	62 50 (1)	649 16 (11)	4,827 99 (87)	6,733 40
March,	• • • • •	1,193 75 (3)	—	62 50 (1)	649 16 (11)	4,719 66 (85)	6,625 07
April,	• • • • •	1,193 75 (3)	—	62 50 (1)	649 15 (11)	4,809 13 (87)	6,714 53
May,	• • • • •	1,181 66 (3)	—	62 50 (1)	669 99 (12)	4,935 88 (88)	6,850 03
June,	• • • • •	1,156 25 (2)	—	62 50 (1)	670 03 (12)	4,911 75 (87)	6,800 53
July,	• • • • •	1,156 25 (2)	—	62 50 (1)	669 98 (12)	4,879 12 (87)	6,767 85
August,	• • • • •	1,156 25 (2)	—	62 50 (1)	669 99 (12)	4,952 16 (88)	6,840 90
September,	• • • • •	1,156 25 (2)	—	62 50 (1)	669 99 (12)	5,036 73 (90)	6,925 47
October,	• • • • •	1,156 25 (2)	—	62 50 (1)	669 98 (12)	5,005 77 (92)	6,894 50
November,	• • • • •	1,156 25 (2)	\$1,738 75 (4)	62 50 (1)	670 06 (12)	4,983 97 (91)	8,611 53
Cancellations,	• • • • •	\$14,779 44	\$1,738 75	\$750 00	\$7,935 83	\$58,455 54	\$83,659 56
Total,	• • • • •	\$14,779 44 (32)	\$1,738 75 (48)	\$750 00 (12)	\$7,923 60 (139)	\$58,305 54 (1,053)	\$83,497 33 (1,284)
Average pension,	• • • • •	\$5,542 29 (3)	\$434 69 (4)	\$750 00 (1)	\$684 05 (12)	\$664 45 (88)	\$780 35 (108)

¹ Includes veterans, Massachusetts Soldiers' Home.

The figure at the right of each column in parentheses shows the number of individual pensions paid under each system; "Under chapter 532," the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

According to the best information we can secure there are now in the service in the five preferred classes 670 individuals. The average number retired from these five classes and receiving pensions during the year of 1913 is 108, and the total annual cost of pensions to these persons is \$83,497.33. This is an average of \$780.35. The smallest annual payment is one-half of the salary at the date of retirement, the largest is three-fourths of such salary. With reference to all of these pensions no contribution by the individual was made during his period of service, and none is provided for to be made by persons now employed in any of these five classes.

As compared with this, we find that in the Retirement Association there is an average of 61 receiving retirement allowances, and that the total annual cost to the Commonwealth on account of these persons is \$17,576.31. This is an average of \$290.52. Under this system the maximum payment is one-half the average of salary for the ten years preceding retirement, and the smallest is \$200. Thus among the five preferred classes the number retired is 16 per cent. of the number now in the service, while in the general retirement system this percentage is only $1\frac{1}{2}$. Again, in the former, the average pension is \$780.35 and in the latter only \$290.52. In the former the pension is at one-half salary at the retirement date, or, in the case of certain judges, three-fourths of such salary; in the latter, the retirement allowance is never more than one-half of an average salary, and in the case of only 19 of the 75 persons now receiving retirement allowances is the amount paid equal to this one-half. The total annual expense to the Commonwealth under the general retirement system in the first full year of its operation is undoubtedly less than it will be later. To some extent, therefore, a comparison of this item with a similar item for the five preferred systems, all of which have been in operation some years, is unfair. But the comparison of averages appears to be just to all systems. The conclusion is correct, therefore, that the general retirement system, established by chapter 532 of the Acts of 1911, does and will afford retirement allowances small in comparison with those to be found in the five preferred classes.

It is to be borne in mind, also, that the net cost to the Commonwealth of maintaining the five preferred systems will always equal the total amount of pensions, and that while a similar situation with reference to the general retirement system exists at its beginning, the proportion of the total retirement allowance to be paid by the Commonwealth under this system will constantly decrease until it becomes only one-half of such amount. Judged by the standards previously established in the five preferred systems, therefore, the general retirement system is restricted in character and is found to be moderate in cost.

There are at present in the Retirement Association 237 persons who, by virtue of having reached the age of at least sixty years, will be eligible to retirement during the coming year. For 4 of them retirement will be obligatory at the age of seventy. How many of the others will retire is of course not now known. The system is not yet old enough to afford an experience in this matter from which any reliable estimate can be made. The Board has therefore submitted its estimate for appropriations with considerable uncertainty as to the amount likely to be needed, conscious of the fact that it cannot accurately substantiate its request. Since the establishment of the association the membership has increased from 3,324 to 4,020.

The work of the Board and its expense of administration has been substantially constant, and need not be expected to increase largely during the coming year.

RECOMMENDATIONS FOR LEGISLATION.

Section 6 (2) of chapter 532 of the Acts of 1911 provides for payments in the three following cases and amounts:—

First — To a member of the association who leaves the service before becoming entitled to retirement, the amount of his deposits "with regular interest."

Second. — To the estate of a member of the association who dies before becoming entitled to retirement, the amount of his deposits "with such interest as shall have been earned on such deposits."

Third. — To a member who retires or is retired “an annuity to which the sum of his deposits . . . with regular interest shall entitle him. . . .”

“Regular interest” is defined in the act as “interest at three per cent. per annum.”

It appears from the above that in the first and third cases the member of the association will receive no benefit from any surplus credited to his account, while in the second case the estate of a deceased member will receive such surplus in full. If a member is to receive no benefit from the surplus at his retirement there appears to be no adequate reason why the surplus should ever be distributed to the individual accounts, since at the retirement of a member the surplus which has been charged up to his account will necessarily revert to the funds of the association. In this case there will have been an intricate system of bookkeeping with nothing accomplished thereby. Neither does there appear to be sufficient reason for depriving a member who leaves the service, as in the first case above, of a part of the earnings of his deposits. The Board is of the opinion that in all three of the above cases the treatment of the surplus should be similar, and that the individual should receive the full benefit therefrom. Accordingly, we have prepared a bill making such amendments as the facts seem to warrant. It is to be observed that no inequalities have arisen because of the anomaly of the present law, since no surplus has been credited to individual accounts.

ELMER A. STEVENS.
CARL A. RAYMOND.
CHARLES A. ANDREWS.

REPORT

OF THE

STATE BOARD OF RETIREMENT.

JANUARY, 1915.



BOSTON:

WRIGHT & POTTER PRINTING CO., STATE PRINTERS,
32 DERNE STREET.

1915.

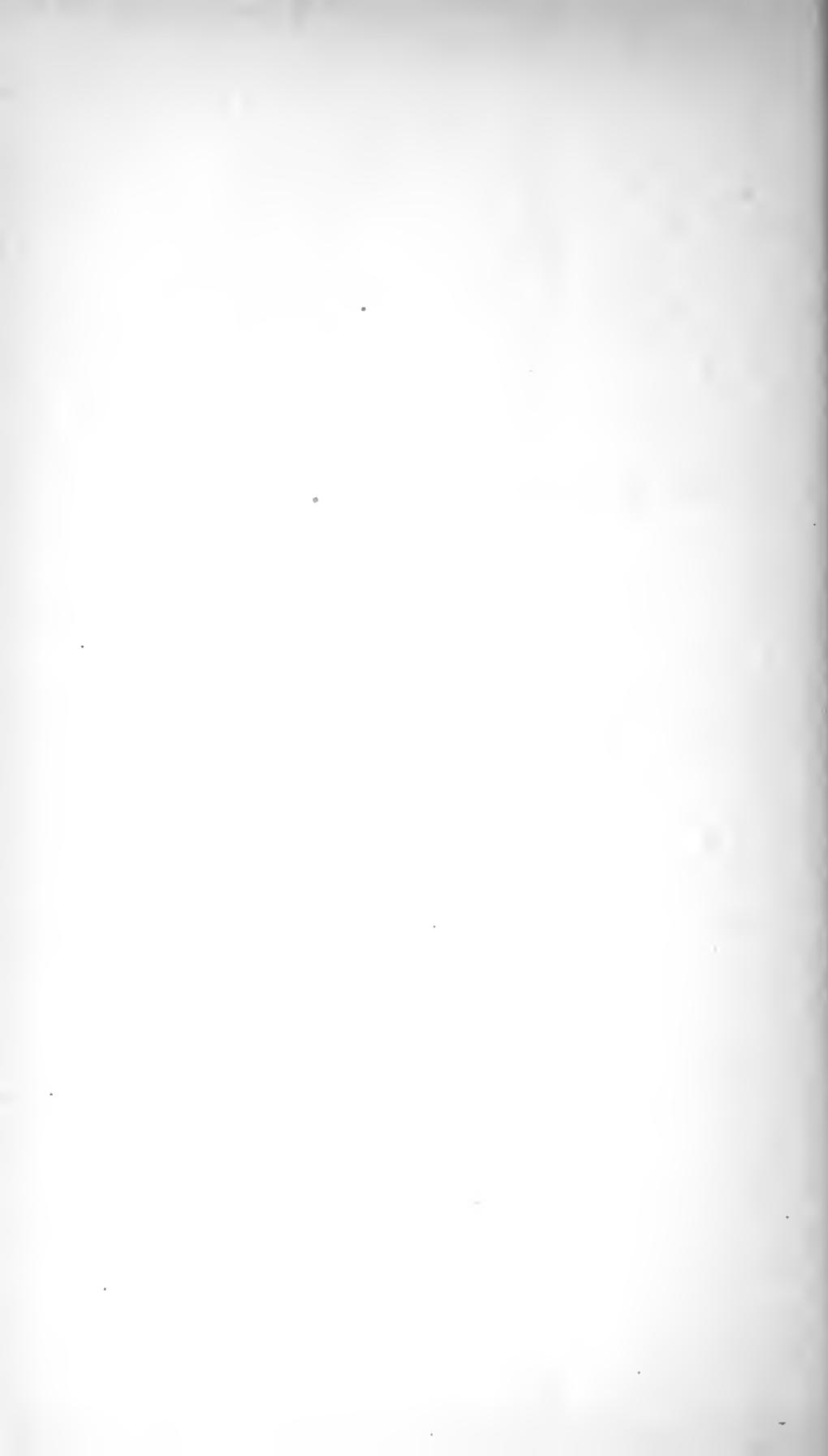
APPROVED BY
THE STATE BOARD OF PUBLICATION.

BOARD OF RETIREMENT.

FREDERICK W. MANSFIELD, *Chairman.*

CARL A. RAYMOND.

CHARLES A. ANDREWS.



The Commonwealth of Massachusetts.

BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, Jan. 15, 1915.

Hon. CHANNING H. COX, *Speaker of the House of Representatives.*

DEAR SIR: — I transmit to you herewith for the use of the Legislature the annual report of the Board of Retirement for the year ending Nov. 30, 1914.

Respectfully yours,

FREDERICK W. MANSFIELD,
Chairman, Board of Retirement.

The Commonwealth of Massachusetts.

R E P O R T .

BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, Jan. 15, 1915.

To the Honorable Senate and House of Representatives.

In January, 1914, Hon. Frederick W. Mansfield, by virtue of becoming Treasurer and Receiver-General of the Commonwealth, became a member of the Board of Retirement, and he was forthwith chosen chairman of the Board. In February the term of office of Mr. Chas. A. Andrews expired, and he was elected by the other members of the Board, in accordance with law, as a member of the Board for a term of three years. During the year the Board has been composed of these two and Mr. Carl A. Raymond, who in 1912 was elected a member by the members of the association for a term of three years.

On Dec. 1, 1913, there were 4,020 members of the Retirement Association. On Dec. 1, 1914, there were 4,783 members. During the year 1,630 individuals have joined the association, and 839 have forfeited membership therein by reason of death or resignation before becoming eligible to a retirement allowance. In addition, 28 have been retired, 7 by reason of reaching the age of seventy years, and 21 at their own request, at the age of sixty or over. The membership of the association was increased 1,630 by the compulsory entrance of employees who have entered the service since Dec. 1, 1913, and who had, during the past year, completed a probationary period and have thus become "permanent and regular" employees within the meaning of the law. By deducting from this number the number of those who have died, who have resigned and who have been retired, we find an increase in membership of 763. This

indicates with considerable accuracy the expansion of the State service during the past year.

Since the law became operative, on June 1, 1912, 109 employees have been retired, of whom 28 were retired during the past year; 10 annuitants and 1 non-member have died since retirement, so that retirement allowances are now being paid to 98 former employees. Of this number 33 were retired at the age of seventy, and 64 retired of their own volition, and 1 non-member for the good of the service, upon the request of the head of the department in which he was employed.

The total amount paid to these retired employees during the year ending Dec. 1, 1914, as pensions was \$24,918.58, as compared with payments of \$17,576.31 during the year ending Dec. 1, 1913; the largest yearly amount payable to any individual was \$905.14; the number of those who received the maximum retirement allowance, *i.e.* one-half of the average of salary for the ten years preceding retirement, was 30. The average annual retirement allowance paid to the whole number who benefited by the system during the year was \$283.17, and the average cash salary received by those persons for the ten years preceding retirement was \$734.50.

During the year there was made a distribution of surplus to the individual accounts of members. The total amount thus credited to members' accounts was \$1,754.73, and was equal to \$1.20 upon each \$100 of each account as it stood on Dec. 31, 1913.

It can be seen that the retirement system covers a large percentage of employees; that it makes both possible and necessary retirement from the service at a time when inefficiency is likely to be in evidence; and also it affords to those retired, at least in part, a living income. By chapter 419 of the Acts of 1914, retirement for permanent disability at any age, after fifteen years of service, was made possible. Under this provision of law one retirement has been granted during the year. We believe this law is wise in making it possible to remove from the service those who through illness or misfortune have become unable to perform efficiently the duties for which they have been employed.

The retirement system, established by chapter 532 of the

Acts of 1911, is not the only pension system affecting State employees. For the judges, members of the metropolitan park police, members of the district police, prison officers and instructors, and for veterans of the civil war in the State service separate pension systems have been established and are in operation. In none of these systems does the contributory principle prevail; in each of them retirement upon half pay or more is possible upon the reaching of a stated age or upon the completion of a stated period of service; in some of them retirement for disability is possible; and in at least one there is provision for a pension to the widow and young children of the deceased employee who loses his life in the performance of his duty. The tables on page 13 show the amounts paid by the Commonwealth during the past year to pensioners under each of those five systems, the number of persons in each system who receive the pensions, together with similar figures for the Retirement Association.

According to the best information we can secure there are now in the service in the five preferred classes 699 individuals. The average number retired from these five classes and receiving pensions during the year of 1914 was 113, and the total annual cost of pensions to these persons is \$91,589.94. This is an average of \$844.15. With reference to all of these pensions no contribution by the individual was made during his period of service, and none is provided for to be made by persons now employed in any of these five classes.

As compared with this, we find that in the Retirement Association there is an average of 88 receiving retirement allowances, and that the total annual cost to the Commonwealth on account of these persons is \$24,918.58. This is an average of \$283.17. Thus among the five preferred classes the number retired is 16 per cent. of the number now in the service, while in the general retirement this percentage is a trifle over $1\frac{1}{2}$. Again, in the former, the average pension is \$844.15, and in the latter only \$283.17. In the former the pension is at one-half salary at the retirement date, or, in the case of certain judges, three-fourths of such salary; in the latter the retirement allowance is never more than one-half of an average salary, and in the case of only 28 of the 98 persons now receiving retirement

allowances is the amount paid equal to this one-half. It thus appears that the general retirement system, established by chapter 532 of the Acts of 1911, does and will afford retirement allowances small in comparison with those to be found in the five preferred classes.

It is to be borne in mind, also, that the net cost to the Commonwealth of maintaining the five preferred systems will always equal the total amount of pensions, and that while a similar situation with reference to the general retirement system exists at its beginning, the proportion of the total retirement allowance to be paid by the Commonwealth under this system will constantly decrease until it becomes only one-half of such amount.

There are at present in the Retirement Association 265 persons, who, by virtue of having reached the age of at least sixty years, will be eligible to retirement during the coming year. How many of these will retire is, of course, not now known. The Board has therefore submitted its estimate for appropriations with considerable uncertainty as to the amount likely to be needed, conscious of the fact that it cannot accurately substantiate its request. One year ago the corresponding figures were 237, and during the year just closed 28 of these, or $11\frac{4}{5}$ per cent., were retired. Whether the percentage thus appearing is likely to prove reasonably constant in succeeding years, we cannot even guess, since the experience of so short a period as has elapsed since the establishment of the retirement system is insufficient for any conclusion upon this subject. The total expenses of administration of the Board for the year ending Nov. 30, 1914, were \$7,996.22.

One feature of the retirement system which is of commanding importance, and which can scarcely be too much emphasized, is the necessity it imposes upon the members to save money. At the close of the fiscal year the funds of the association were \$268,660.32. This amount had been actually contributed by members or had been earned by their contributions in a period of thirty months. In addition to this, there had been paid back to 1,715 members who had left the service of the Commonwealth \$21,869.26, and to the estates of 52 deceased members, \$1,306.33. Thus already more than \$23,000 has been

saved by members, and has been returned to them or to their estates. Of the \$268,660.32 now in the funds of the association a considerable amount will in the future be returned to present members as they shall leave the service before becoming entitled to retirement. The amount that will be thus paid back is of course unknown and cannot be estimated. But it is apparent that members of the association have saved many thousands of dollars which will be at their disposal even though they do not remain in the service long enough to receive a retirement allowance, and it is undoubtedly true that little if any of this would have been saved except for the compulsion of the retirement system. Evidence constantly reaches the Board that members look upon this feature of the retirement system with favor, and are gratified that they have been compelled to adopt habits of saving before unknown to them. Among the benefits of the retirement system this is by no means the least, and its value is bound to be increasingly felt as the size of the individual accounts increases with the age of the association.

Comparative Financial Statement, as of November 30.

YEAR.	Gross Deposits.	Income on Investments.	Interest credited Members' Accounts. ¹	REFUNDS. ²		AMOUNT EXPENDED.		Expense of Administration. ³
				Death.	All Others.	Annuities.	Pensions. Prior. Subsequent.	
1912,	\$47,500 76	\$198 36	—	822 73	\$1,343 21	\$2 29	\$3,341 42	\$5,052 66
1913,	105,438 37	3,197 22	\$1,227 73	354 54	6,540 04	72 34	17,503 97	6,619 37
1914,	130,637 21	6,889 44	5,901 06	929 06	13,986 01	189 74	24,728 84	7,996 22

¹ Includes surplus.² Includes interest accumulations.³ Includes salaries and contingent expenses.*Comparative Statement of Membership, as of November 30.*

YEAR.	Admitted during year.	REFUNDS.		NUMBER RETIRED.		MEMBERSHIP.			Mortality among Pensioners.	Key Number.
		Death.	All Others.	Voluntary.	Compulsory.	Non-members.	November 30.	3 Per Cent. Basis.	5 Per Cent. Basis.	
1912,		181	12	327	20	25	—	3,121	—	3
1913,		1,522	21	568	26	8	2	4,020	2,630	3
1914,		1,630	19	820	21	7	—	4,783	2,972	5

Membership Feb. 1, 1912, 3,324.

Recapitulation of Yearly Pension Cost under Non-contributory and Contributory Pension Systems.

YEAR.	NON-COMMUNICATORY.				CONTRIBUTORY. Chapter 832, Acts of 1913.
	Judges.	POLICE.	Metropolitan Park Commission.	District.	
1913,	\$14,779 44	\$1,738 75	\$750 00	\$7,923 60	\$68,305 54
1914,	19,434 68	1,940 50	750 00	9,709 46	59,755 30

¹ Pension payments began July 1, 1914.

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

Comparison of Average Yearly Pensions paid under Non-contributory and Contributory Pension Systems.

YEAR.	NON-COMMUNICATORY.				CONTRIBUTORY. Chapter 832, Acts of 1913.
	Judges.	POLICE.	Metropolitan Park Commission.	District.	
1913,	\$5,542 29 (3)	\$434 69 (4)	\$750 00 (1)	\$684 05 (12)	\$664 45 (88)
1914,	5,552 77 (3+)	485 12 (4)	750 00 (1)	693 53 (14)	663 95 (90)

The figure at the right of each column shows the number of individual pensions paid under each system; under contributory systems the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included. Minimum pension paid under chapter 832, \$300; minimum pension paid under chapter 832, \$200.





REPORT

OF THE

STATE BOARD OF RETIREMENT.

JANUARY, 1916.



BOSTON:
WRIGHT & POTTER PRINTING CO., STATE PRINTERS,
32 DERNE STREET.
1916.

APPROVED BY
THE STATE BOARD OF PUBLICATION.

BOARD OF RETIREMENT.

HON. CHARLES L. BURRILL, *Chairman.*

CARL A. RAYMOND.

DR. JOHN E. FISH.

The Commonwealth of Massachusetts.

BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, Jan. 24, 1916.

Hon. CHANNING H. COX, *Speaker of the House of Representatives,*
State House, Boston, Mass.

DEAR SIR:—I transmit to you herewith for the use of the Legislature the annual report of the Board of Retirement for the year ending Nov. 30, 1915.

Respectfully yours,

CHARLES L. BURRILL,
Chairman, Board of Retirement.

The Commonwealth of Massachusetts.

REPORT.

BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, Jan. 1, 1916.

To the Honorable Senate and House of Representatives.

In January, 1915, the Hon. Charles L. Burrill qualified as Treasurer and Receiver-General of the Commonwealth, thereby becoming an ex officio member of the Board, and was elected chairman.

The term of office of Carl A. Raymond, second member elected by the members of the association, expired on Feb. 16, 1915. Under the direction of the Insurance Commissioner a primary was held and five persons were nominated as candidates, one of whom later withdrew. Four names appeared for election upon the official ballot. This election was also held, as required by law, under the direction of the Insurance Commissioner, and resulted in the re-election of Mr. Raymond for a period of three years.

On June 21, 1915, the Board was obliged to accept the resignation of Charles A. Andrews, third member, who was re-elected for a term of three years, beginning Feb. 16, 1914. Mr. Andrews, having resigned from the State service, felt unable to give the necessary time to the work of the Board. After careful consideration the first two members of the Board elected Dr. John E. Fish, superintendent of the Massachusetts Hospital School, Canton, Mass., to fill the vacancy.

On Dec. 1, 1914, there were 4,766 members of the Retirement Association. On Dec. 1, 1915, there were 5,382 members. During the year 1,686 individuals have joined the association, and 1,046 have forfeited membership therein by reason of death

or resignation before becoming eligible to a retirement allowance. In addition, 24 have been retired, 8 by reason of reaching the age of seventy years, and 3 for permanent disability, and 13 at their own request, at the age of sixty or over. The membership of the association was increased 1,686 by the compulsory entrance of employees who have entered the service since Dec. 1, 1914, and who had, during the past year, completed a probationary period and have thus become "permanent and regular" employees within the meaning of the law. By deducting from this number the number of those who have died, who have resigned, and who have been retired we find an increase in membership of 626. This indicates with considerable accuracy the expansion of the State service during the past year.

Since the law became operative, on June 1, 1912, 133 employees have been retired, of whom 24 were retired during the past year; 13 annuitants and 1 nonmember have died since retirement, so that retirement allowances are now being paid to 119 former employees. Of this number, 43 were retired at the age of seventy or over, 3 for permanent disability, 1 non-member for the good of the service, upon the request of the department in which he was employed, and 72 retired of their own volition.

The total amount paid to these retired employees during the year ending Dec. 1, 1915, as pensions was \$30,433.91, as compared with payments of \$24,918.58 during the year ending Dec. 1, 1914; the largest yearly amount payable to any individual was \$905.14; the number of those who received the maximum retirement allowance, *i.e.*, one-half of the average cash salary for the ten years preceding retirement, was 54. The average annual retirement allowance paid to the whole number who benefited by the system during the year was \$284.79, and the average cash salary received by those persons for the ten years preceding retirement was \$777.17.

During the year there was made a distribution of surplus to the individual accounts of members. The total amount thus credited to members' accounts was \$1,337.90, and was equal to \$0.50 upon each \$100 of each account as it stood on Dec. 31, 1914.

The rate of contribution first established by the Board in accordance with the statute was 3 per cent. unless the employee elected to contribute 5 per cent. Many who became members did not act under the optional clause, and therefore contributed but 3 per cent., and later expressed a desire to have 5 per cent. deducted from their salaries. The Board questioned its right under the law to allow an individual to change from a once-established rate, and submitted three questions to the Attorney-General upon which he gave the following opinions:—

(1) That the Board has the power under the statute to allow employees to change their rates of contribution.

(2) That the Board cannot accept from employees allowed to change their rates of contribution a sum of money equal to the difference between the contributions on a 3 per cent. basis and the amount the contributions would have been if they had elected the 5 per cent. basis of contribution.

(3) That the rate first elected by employees in the service when the system went into operation is the rate which determines the basis on which their pensions for prior service will be estimated.

As the change affects only the annuity and subsequent pension part of the retirement allowance, no injustice results either to the State or to members initially enrolled under the higher rate. The Board considers by vote each application.

The compulsory saving for the employee who leaves the service is equivalent to that accumulated under the general habit of voluntary thrift, and in case of the death of a member provides the dependents in many cases with much-needed funds. The accumulated savings refunded to members who left the service was \$23,057.30, and the amount refunded to the heirs or the estates of deceased members was \$2,674.81.

The Treasurer and Receiver-General acquires for the annuity fund only the bonds which pay the highest return upon the sum invested. The fund has earned an average rate of income during the year of 4.17 per cent.

The retirement system has 280 members who may voluntarily retire at age of sixty or over during the next fiscal year. The number who will retire is uncertain. The Board, therefore, has submitted its estimates for appropriations upon experience it has gained to the effect that the retirements will be 6 per cent.

of the eligibles. The total expenses of administration of the system for the year ending Nov. 30, 1915, were \$8,999.45.

By chapter 832 of the Acts of the year 1913 a retirement system for teachers was established. No provision, however, was made for a reciprocating allowance for prior service in cases where members of the teachers' system were transferred to the State employees' retirement system, and *vice versa*. This, it appeared, worked a hardship upon teachers leaving the service of the public schools and entering the service of State normal schools, thereby becoming members of the State system. It was apparent, also, that it might act as an obstacle to the Board of Education in making appointments to the staff of teachers in the normal schools from teachers in the public schools. The Board of Retirement is pleased to report that by the passage of chapters 197 and 198 of the General Acts of the year 1915 this difficult situation has been eliminated.

The Board is of the opinion that legislation is necessary to define the standing of certain teachers, and other employees, employed by the Board of Education under agreements with certain cities wherein are located normal schools, with respect to the "training schools," so called, maintained for the mutual benefit of the normal school and the local school systems. This Board appointed a committee to confer with a committee appointed by the Teachers' Retirement Board upon the matter, and finds itself in substantial accord with them in the form of a bill. To carry out this recommendation a bill has been prepared and filed with the Secretary of the Commonwealth, as required by law, for the consideration of the General Court.

Comparative Financial Statement, as of November 30.

YEAR.	Gross Deposits.	Income on Investments.	Interest credited Members' Accounts. ¹	REFUNDS. ²		AMOUNT EXPENDED.			Expense of Administration. ³
				Death.	All Others.	Annuities.	Pensions.	Subsequent.	
1912,	\$47,500 76	\$198 36	—	\$22 73	\$1,343 21	\$2 29	\$5,341 42	\$2 29	\$5,082 66
1913,	105,438 37	3,197 22	\$1,227 73	354 54	6,540 04	72 34	17,503 97	72 34	6,619 37
1914,	130,667 73	6,890 44	5,901 06	915 90	13,983 79	189 74	24,728 84	189 74	7,996 22
1915,	139,394 66	12,720 67	8,926 22	2,674 81	23,057 30	405 93	30,027 98	405 93	8,999 45

¹ Includes surplus.² Includes interest accumulations.³ Includes salaries and contingent expenses.*Comparative Statement of Membership, as of November 30.*

YEAR.	Admitted during Year.	REFUNDS.			NUMBER RETIRED.			MEMBERSHIP.			Mortality among Pensioners.	Accounts payable. ¹
		Death.	All Others.	Disability.	Voluntary.	Compulsory.	Non-members.	Novem-ber 30.	Per Cent. Basis.	Per Cent. Basis.		
1912,	181	12	327	—	20	25	—	3,121	—	—	3	—
1913,	1,522	21	568	—	26	8	2	4,020	2,630	1,390	3	—
1914,	1,630	19	820	—	21	7	—	4,766	2,972	1,811	5	17
1915,	1,686	29	1,017	3	13	8	—	5,382	3,383	1,999	3	27

Membership Feb. 1, 1912, 3,324.

¹ Unclaimed accounts of members who have left the service.

Recapitulation of Yearly Pension Cost under Noncontributory and Contributory Pension Systems.

YEAR.	NONCONTRIBUTORY.				CONTRIBUTORY.
	Judges.	POLICE.	Metropolitan Park Commission.	Prison Officers.	
1913,	\$14,779 44	\$1,738 75	\$750 00	\$7,923 60	\$53,305 54
1914,	19,434 68	1,940 50	750 00	9,709 46	59,755 30
1915,	31,404 72	2,296 25	750 00	12,453 56	64,674 33
					56,473 29
					30,433 91

¹ Pension payments began July 1, 1914.

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

Comparison of Average Yearly Pensions paid under Noncontributory and Contributory Pension Systems.

YEAR.	NONCONTRIBUTORY.				CONTRIBUTORY.
	Judges.	POLICE.	Metropolitan Park Commission.	Prison Officers.	
1913,	\$834 69 (4)	\$750 00 (1)	\$684 05 (12)	\$664 45 (88)	\$290 52 (61)
1914,	485 12 (4)	750 00 (1)	683 53 (14)	663 95 (90)	\$381 05 (124)
1915,	459 25 (5)	750 00 (1)	718 47 (17)	662 76 (98)	380 98 (180)
					284 79 (108)

The figure at the right of each column shows the number of individual pensions paid under each system; under contributory systems the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

Teachers with fifteen years of service on July 1, 1914 (five preceding retirement), minimum, \$300. Minimum of \$200 to all under chapter 532, Acts of 1911.

REPORT

OF THE

STATE BOARD OF RETIREMENT.

JANUARY, 1917.



BOSTON:
WRIGHT & POTTER PRINTING CO., STATE PRINTERS,
32 DERNE STREET.
1917.

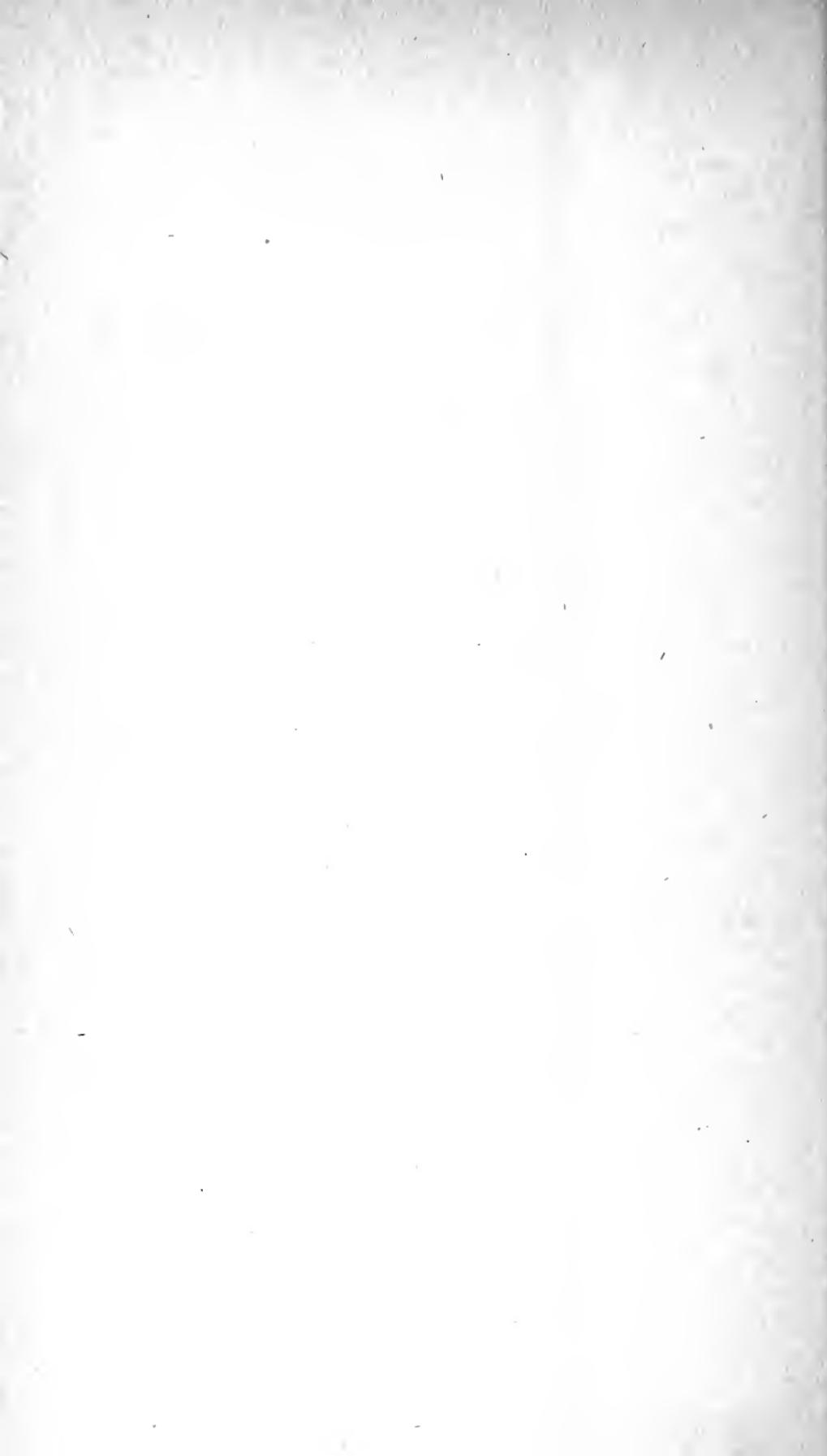
PUBLICATION OF THIS DOCUMENT
APPROVED BY THE
SUPERVISOR OF ADMINISTRATION.

BOARD OF RETIREMENT.

HON. CHARLES L. BURRILL, *Chairman.*

CARL A. RAYMOND.

DR. JOHN E. FISH.



The Commonwealth of Massachusetts.

R E P O R T.

BOARD OF RETIREMENT, STATE HOUSE,
BOSTON, March 20, 1917.

To the Honorable Senate and House of Representatives.

The personnel of the Board remained unchanged during the year. The contributory system when inaugurated, while acceptable to the majority of employees, was not favored by a large minority. It is now interesting to note that its merits, better understood, are more fully appreciated.

This statement is emphasized by the fact that 104 employees out of 516 in the service when the permissive act of 1916 was passed, who declined membership under the original act, have, upon request, been enrolled to membership. It is interesting to note that 32 of those enrolled have been in the continuous service of the Commonwealth from ten to forty years. The Board, appreciating the importance of the act, gave individual notice to all employees interested therein.

On Dec. 1, 1915, there were 5,382 members of the Retirement Association. On Dec. 1, 1916, there were 5,458 members. During the year 1,445 individuals have joined the association, and 1,369 have forfeited membership therein by reason of death or resignation before becoming eligible to a retirement allowance. In addition, 27 have been retired, 10 by reason of reaching the age of seventy years, 2 for permanent disability, and 15 at their own request, at the age of sixty or over. The membership of the association was increased 1,445 by the compulsory entrance of employees who have entered the service since Dec. 1, 1915, and who had, during the past year, completed a pro-

bationary period and have thus become "permanent and regular" employees within the meaning of the law. By deducting from this number the number of those who have died, who have resigned and who have been retired we find a net increase in membership of 76.

The merging of State departments and increased opportunity outside the State service, occasioned by greater industrial activity, caused an unusual number of refunds.

All persons employed at State penal institutions prior to June 7, 1911, other than "officers and instructors," were members of the retirement system if they did not decline membership. The passage of chapter 273, General Acts of 1916, placing all these employees under the noncontributory prison officers and instructors' act, equitably corrects what a former technicality caused to exist, as the duties of most of these persons subject them to the common hazards of penal service.

Since the law became operative on June 1, 1912, 161 employees have been retired, of whom 28¹ were retired during the past year; 21 annuitants and 2 non-members have died since retirement, so that retirement allowances are now being paid to 138 former employees. Of this number, 49 were retired at the age of seventy or over, 5 for permanent disability, 1 non-member for the good of the service, upon the request of the department in which he was employed, and 83 retired of their own volition.

The total amount paid to these retired employees during the year ending Dec. 1, 1916, as pensions was \$36,672.76, as compared with \$30,433.91 during the year ending Dec. 1, 1915; the largest yearly amount payable to any individual was \$1,169.79; the number of those who received the maximum retirement allowance, *i.e.*, one-half of the average cash salary for the ten years preceding retirement, was sixty. The average annual retirement allowance paid to the whole number who benefited by the system during the year was \$305.

During the year an examination of the annuity fund was made by the Massachusetts Insurance Department in accordance with the law, and a distribution of the surplus to the individual accounts of members authorized. The total credited

¹ Retired non-member included.

amounted to \$5,167.02, and was equal to \$1.50 upon each \$100 of each account as it stood Sept. 30, 1915.

The accumulated savings refunded to members who left the service was \$39,164.70, and the amount refunded to the heirs or estates of deceased members was \$2,644.37.

The retirement system has 297 members who may voluntarily retire at age sixty or over during the next fiscal year, and 13 who must retire at age seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted its estimates for appropriations upon experience it has gained that 7 per cent. of the voluntary eligibles will retire, which will require about \$5,300 in addition to \$42,700, the amount of pensions in force on Nov. 30, 1916. The expenses of administration of the system for the year were: salaries, \$6,055.81; contingent expenses, \$1,016.46; reimbursement to institutions for making deductions from members' wages, etc., \$2,653.05. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

By the passage of chapter 54, General Acts of 1916, the status of certain teachers and other persons employed in training or practice schools maintained for the mutual benefit of the students of the normal school and the public school system wherein the normal school is located and a part of whose compensation is paid in varying proportions by the Commonwealth and the city or town, has been established.

RECOMMENDATIONS.

We desire to call to the attention of the General Court the basis under which deductions are made, and the sum allowed after retirement in cases where employees receive only a part of their compensation in cash. Many persons in the service of State institutions are boarded and housed at the expense of the Commonwealth, and the scale of cash compensation paid is accordingly lower than it would be otherwise.

The Board of Retirement, when preparing to inaugurate the system of making deductions, was advised by the Attorney-General that under the terms of the statute deductions could be made only from compensation paid in money. This results

in some cases in an employee contributing less than is necessary to purchase an annuity sufficient to make a retirement allowance of the minimum amount, namely, \$200 (which is guaranteed by the State), and therefore results in the State paying a larger proportion of the retirement allowance than seems to have been intended by the people drafting the law. In other cases it appears that there is an unfair discrimination between persons working in State institutions and persons working in other branches of the State's service, in so far as the retirement allowances for the persons working in the institutions are less because of smaller cash salaries for relatively the same work.

We recommend such legislative action as is just and equitable whereunder the Board of Retirement be given authority to investigate and report as to the desirability of changing existing laws to accomplish this purpose.

Recapitulation of Yearly Pension Cost under Noncontributory and Contributory Pension Systems.

YEAR.	NONCONTRIBUTORY.				CONTRIBUTORY.
	Judges.	POLICE. Metropolitan Park Commission.	District.	Veterans.	
1913,	\$14,779 44	\$1,738 75	\$750 00	\$7,923 60	\$17,576 31
1914,	19,434 68	1,940 50	750 00	9,709 46	24,918 58
1915,	31,404 72	2,296 25	750 00	12,453 56	30,433 91
1916,	30,539 92	2,332 00	1,599 12	14,766 64	36,672 76
				65,160 10	

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

* Pension payment began July 1, 1914.

Comparison of Average Yearly Pensions paid under Noncontributory and Contributory Pension Systems.

YEAR.	NONCONTRIBUTORY.				CONTRIBUTORY.
	Judges.	POLICE. Metropolitan Park Commission.	District.	Veterans.	
1913,	\$5,542 29 (3)	\$434 69 (4)	\$750 00 (1)	\$684 05 (12)	\$290 52 (61)
1914,	5,552 77 (3+)	485 12 (4)	750 00 (1)	693 53 (14)	283 17 (88)
1915,	5,981 85 (5)	459 25 (5)	750 00 (1)	718 47 (17)	284 79 (108)
1916,	6,914 70 (4)	506 04 (5)	799 55 (2)	700 39 (21)	288 57 (127)
				674 65 (96)	375 00 (206)

The figure at the right of each column shows the number of individual pensions paid under each system; under contributory systems the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included. Teachers with fifteen years of service on July 1, 1914 (five preceding retirement), minimum, \$300. Minimum of \$200 to all under chapter 532, Acts of 1911.

Comparative Financial Statement, as of November 30.

YEAR.	Gross Deposits, Investments.	Interest credited Members' Accounts. ¹	REFUNDS. ²			AMOUNT EXPENDED.			Expense of Administration. ³
			Death.	All Others.	Annuities.	PRIOR.	SUBSEQUENT.		
1912,	\$47,500 76	\$198 36	\$22 73	\$1,343 21	\$22 9	\$5,341 42	\$2 29	\$5,082 66	
1913,	105,438 37	3,197 22	\$1,227 73	354 54	6,540 04	72 34	6,619 37		
1914,	130,667 73	6,589 44	5,901 06	915 90	13,983 79	189 74	7,996 22	189 74	
1915,	139,394 66	12,720 67	8,926 22	2,674 81	23,057 30	405 93	30,027 98	405 93	
1916,	157,684 94	18,663 14	16,342 68	2,644 37	39,164 70	802 69	35,870 07	802 69	

¹ Includes surplus.
² Includes interest accumulations.

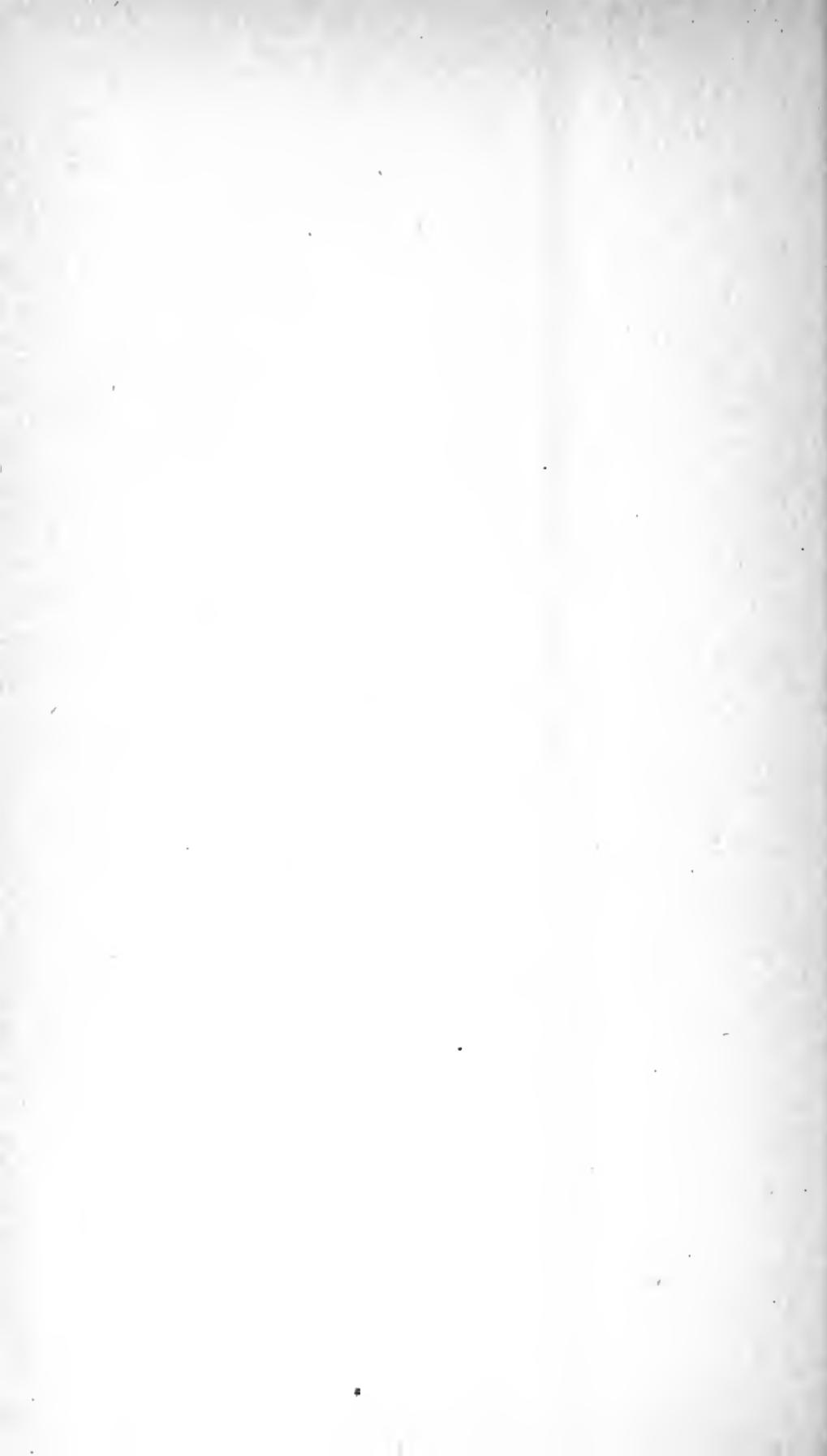
³ Includes salaries, contingent expenses and reimbursement to State institutions.

Comparative Statement of Membership, as of November 30.

YEAR.	Ad- mitted during Year.	REFUNDS.			NUMBER RETIRED.			MEMBERSHIP.			Mortality among Pensioners.	Accounts payable. ¹
		Death.	All Others.	Disa- bility.	Volun- tary.	Compu- sory.	Non- members.	Novem- ber 30.	Per Cent. Basis.	Per Cent. Basis.		
1912,		12	327	-	20	25	-	3,121	2,630	1,390	3	-
1913,	1,522	21	568	-	26	8	2	4,020	2,972	1,811	3	
1914,	1,630	19	820	-	21	7	-	4,766	5,382	3,383	5	17
1915,	1,686	29	1,017	3	13	8	1	5,488	3,387	2,071	9	27
1916,	1,445	30	1,339	2	15	10	1				9	55

Membership Feb. 1, 1912, 3,324.

¹ Unclaimed accounts of members who have left the service.

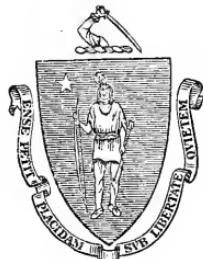


REPORT

OF THE

STATE BOARD OF RETIREMENT.

JANUARY, 1918.



BOSTON:
WRIGHT & POTTER PRINTING CO., STATE PRINTERS,
32 DERNE STREET.
1918.

PUBLICATION OF THIS DOCUMENT
APPROVED BY THE
SUPERVISOR OF ADMINISTRATION.

BOARD OF RETIREMENT.

CHARLES L. BURRILL, *Chairman.*

CARL A. RAYMOND.

JOHN E. FISH, M.D.

The Commonwealth of Massachusetts.

BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, April 3, 1918.

Hon. CHANNING H. COX, *Speaker of the House of Representatives, State House, Boston, Mass.*

DEAR SIR:—I transmit to you herewith for the use of the Legislature the annual report of the Board of Retirement for the year ending Nov. 30, 1917.

Very truly yours,

C. L. BURRILL,
Chairman, Board of Retirement.

The Commonwealth of Massachusetts.

REPORT.

BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, MASS.

To the Honorable Senate and House of Representatives.

The Board of Retirement presents for your consideration its sixth report of successful operation under the same personnel as the preceding year.

On Dec. 1, 1916, there were 5,448 members of the Retirement Association. On Dec. 1, 1917, there were 5,573 members. During the year 1,361 individuals have joined the association, and 1,201 have forfeited membership therein by reason of death or resignation before becoming eligible to a retirement allowance. In addition, 35 have been retired, 14 by reason of reaching the age of seventy years, 1 for permanent disability, and 20 at their own request, at the age of sixty or over. The membership of the association was increased 1,361 by the compulsory entrance of employees who have entered the service since Dec. 1, 1916, and who had, during the past year, completed a probationary period and have thus become "permanent and regular" employees within the meaning of the law. By deducting from this number those who have died, who have resigned and who have been retired we find a net increase in membership of 125.

Since the law became operative on June 1, 1912, 197 employees have been retired, of whom 36¹ were retired during the past year; 30 annuitants and 2 non-members have died since retirement, so that retirement allowances are now being paid to 165 former employees. Of this number, 58 were retired at the age of seventy or over, 5 for permanent disability, 2 non-

¹ Retired non-member included.

members for the good of the service, upon the request of the department in which they were employed, and 100 retired of their own volition.

The total amount paid to these retired employees during the year ending Dec. 1, 1917, as pensions was \$43,944.47, as compared with \$36,672.76 during the year ending Dec. 1, 1916; the largest yearly amount payable to any individual was \$1,150; the number of those who received the maximum retirement allowance, *i.e.*, one-half of the average cash salary for the ten years preceding retirement, was sixty-nine. The average retirement allowance paid to the whole number who benefited by the system during the year was \$305.

During the year an examination of the annuity fund was made by the Massachusetts Insurance Department in accordance with the law, and a distribution of the surplus to the individual accounts of members authorized. The total credited amounted to \$6,923.74, and was equal to \$1.50 upon each \$100 of each account as it stood on Sept. 30, 1916.

The accumulated savings refunded to members who left the service was \$49,355.99, and the amount refunded to the heirs or estates of deceased members was \$4,195.44.

The retirement system has 275 members who may voluntarily retire at age sixty or over during the next fiscal year, and 9 who must retire at age seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted its estimates for appropriations upon the experience it has gained that 7 per cent. of the voluntary eligibles will retire. This will require about \$6,440 in addition to \$45,560, the amount of pensions in force on Nov. 30, 1917. The expenses of administration of the system for the year were: salaries, \$6,228.56; contingent expenses, \$673.86; reimbursement to institutions for making deductions from members' wages, etc., \$2,518.73. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

In compliance with a request from the commissioners appointed under chapter 43 of the Resolves of 1916 to consolidate the laws of the Commonwealth, the Board has suggested the following changes in order to correct ambiguity and inconsistency, and make clear the existing law.

STATE RETIREMENT ACT.

Chapter 532, Acts of 1911, and Amendments and Additions thereto.

Section 3.—Amend by striking out paragraph (3) and substituting the following:—

No officer elected by popular vote may become a member of the association, nor any employee who is or will be entitled to a non-contributory pension from the commonwealth; but if such employee leaves a position for which such a pension is provided before becoming entitled thereto, and takes a position to which this act applies, he shall thereupon become a member of the association.

The act seems to make no provision for employees holding positions for which non-contributory pensions are provided, like members of the district police and prison officers, who are transferred to positions to which the act applies. The Board, however, treats such employees as members of the association.

Amend paragraph (4) by inserting after the word "employed", in the fifth line, the words:— or, in case of members appointed by the governor, upon recommendation of the governor and council,— so that said paragraph shall read as follows:—

(4) Any member who reaches the age of sixty years and has been in the continuous service of the commonwealth for a period of fifteen years immediately preceding may retire or be retired by the board of retirement upon recommendation of the head of the department in which he is employed, or, in case of members appointed by the governor, upon recommendation of the governor and council, and any member who reaches the age of seventy must so retire.

A member of the State Retirement Association reaching sixty years, who has been in the continuous service of the Commonwealth fifteen years, may be retired upon the recommendation of the head of the department in which he is employed.

The Attorney-General has ruled (1913, Op. A. G. 101) that the chairman of a commission is not the head of a department in the sense that he may recommend the retirement of his fellow members, although members of commissions are within the retirement law. We therefore suggest that such officials be subject to retirement under the law, upon the recommendation of the Governor and Council.

Section 4.—Amend by striking out paragraph (3) and substituting the following:—

(3) Subject to the approval of the board of retirement, the treasurer and receiver-general shall have charge and control of the funds of the system and any and all unappropriated income thereof, and shall invest and reinvest the same when not required for current disbursements, in accordance with the provisions of chapter one hundred and ninety-two of the General Acts of nineteen hundred and sixteen.

The original paragraph provides that the State Treasurer shall invest the funds of the State Retirement Association in investments that are legal for savings banks, with a preference for investments that are legal for the sinking funds of the Commonwealth. The latter class of investments covers so wide a field that the former, in so far as they differ from the latter, are never resorted to.

Section 5.—Amend by striking out (2) *B* (b) and substituting the following:—

(b) Each year the commonwealth shall contribute such amount as is necessary to guarantee regular interest and make good any deficiency in the annuity fund, as of the preceding thirty-first day of December.

The first requires the Commonwealth to contribute each year in January an amount equal to the surplus arising from annuity deposits; the second requires it to make good any deficiency in them. In case the invested deposits should yield less than 3 per cent. there would be to that extent a deficiency in the annuity fund, and it is to take care of such deficiency that the second provision of the paragraph is inserted.

Under the retirement act every dollar paid in annuities from the annuity fund is matched by another contributed by the Commonwealth by way of pension. It was originally intended that the Commonwealth annually in the month of January should turn into the treasury of the association a sum adequate for the payment of pensions; in other words, a sum equal to the annuity fund, herein referred to as the surplus. In the passage of the measure through the Legislature this policy was abandoned, and provision was made for monthly payments by the Commonwealth to the pension fund. Through oversight

the provision for an annual payment by the Commonwealth was retained.

Section 6.—Amend (2) *B* (*b*) by striking out the words “regular interest” in the fourth and fifth lines, and inserting in place thereof the following:—such interest as shall have been earned thereon,—and by adding at the end thereof the following:—provided that this form of annuity shall not be paid unless the amount of his accumulations will provide an annuity of one hundred dollars or more,—so that said paragraph shall read as follows:—

(*b*) A life annuity, payable monthly, with the provision that in the event of the death of the annuitant before receiving payments equal to the sum, at the date of his retirement, of his deposits under section five (2) *A*, with such interest as shall have been earned thereon, the difference shall be paid to his legal representatives, provided that this form of annuity shall not be paid unless the amount of his accumulations will provide an annuity of one hundred dollars or more.

The original section 6 (2) relates to the distribution of annuity and pension funds of the State retirement system in the shape of refunds, annuities and pensions. As originally drawn such distribution was to include “regular interest” (3 per cent. as defined by the act), but section 1, chapter 582, Acts of 1914, amended (2) *A* (*a*) of said section, relative to refunds, by striking out the words “regular interest” and substituting “such interest as shall have been earned thereon.” The same change was made by section 2, chapter 582, Acts of 1914, (2) *B*, relating to the payment of annuities, but through oversight was not made in (2) *B* (*b*) relating to payments to the annuitant’s legal representatives. The first of the above amendments makes the necessary correction. The second of the above amendments is rendered necessary by reason of giving a retired member of the State Retirement Association who chooses the smaller annuity, with a remainder over to his estate, a pension equivalent to the pension he would have received had he chosen the larger annuity (6 (2) *B* (*a*)) without such remainder. The act provides that in no case shall a retired member receive less than \$200 annually, consisting under option (*a*) of \$100 by way of annuity and \$100 by way of

pension. By choosing a rate of annuity less than \$100 a year, a member might compel the Commonwealth under section 6 (2) *E* to pay the difference up to the stated minimum, and at the same time entitle his estate to receive at death the difference between his deposits and his total annuity payments.

Amend (2) *C (a)* by inserting after the word "annuity," in the fourth line, the words:— to which he would be entitled if his annuity were figured under (2) *B (a)* of this section,— and by adding at the end thereof the following:— For the purpose of computing the pension for subsequent service of any member who has left a position in the service of the commonwealth for which a non-contributory pension is provided to take a position subject to this act, he shall be credited with regular accumulated contributions to the annuity fund during his period of service in said former position since June first, nineteen hundred and twelve,— so that said paragraph shall read as follows:—

(a) Pensions based upon subsequent service. Any member entitled to an annuity under paragraph (2) *B* of this section shall receive in addition thereto a pension for life payable monthly, equivalent to that annuity to which he would be entitled if his annuity were figured under (2) *B (a)* of this section, to be paid out of the fund contributed by the commonwealth under the provisions of section five, (2) *B (a)*. For the purpose of computing the pension for subsequent service of any member who has left a position in the service of the commonwealth for which a non-contributory pension is provided to take a position subject to this act, he shall be credited with regular accumulated contributions to the annuity fund during his period of service in said former position since June first, nineteen hundred and twelve.

The law allows a member the option between two forms of annuity. A member choosing option (b) receives a smaller annuity payment than he would have received if he had chosen option (a), but there is a death benefit payable to his legal representatives, if he dies before receiving annuity payments, equal to the amount which he had in the annuity fund at the time of retirement. In the end, therefore, he or his estate receives the total sum to which his contributions entitle him by way of annuity.

The theory of the act is that a retiring member shall receive by way of pension the equivalent of his receipt by way of annuity. Accordingly, the law provides that pension instalments shall equal the annuity instalments, but it omits to provide a death benefit from the pension fund equal to the death benefit from the annuity fund. A member choosing option (b) therefore receives less from the pension fund than he would be entitled to receive if the theory of the act were consistently followed. This inconsistency is doubtless an oversight, and is remedied by the above amendment.

The second of the above amendments is made to supply an omission in respect to a member of the State Retirement Association who is transferred from a position entitled to a non-contributing pension to a position subject to the retirement act.

Amend (2) C (b) as amended by chapter 363, Acts of 1912, by inserting after the word "average", in the third line of the fourth paragraph, the words: — annual rate of, — so that said paragraph shall read as follows: —

If the accumulated contributions of any employee retired under the provisions of this act exceed the amount required to provide an annuity equal to one fourth of the average annual rate of wages or salary of such employee during the last ten years prior to his retirement, the excess above that amount shall be paid to such employee in a lump sum with the first monthly payment on the account of his retiring allowance.

This change is made to correspond with the change in description of maximum as provided in (2) E.

Amend by striking out (2) E and substituting the following: —

E. Minimum and Maximum Payments. — In no case shall the total monthly payment to a member be at a rate less than two hundred dollars per year, or at a rate more than one half the average annual rate of salary or wages of such member during the ten years prior to his retirement.

The original paragraph prescribes as the maximum payment to a retired member of the State Retirement Association one-half the amount of the average salary or wages received by him during the ten years prior to his retirement. If during such ten years he has lost a considerable amount of salary by reason

of illness his maximum allowance is materially reduced. This unintentional injustice is remedied by taking as the measure his average rate of salary or wages rather than the average of the total receipts.

Chapter 419, Acts of 1914.

Section 1.—Amend by striking out this section 1 and substituting the following:—

SECTION 1. Any employee of the commonwealth subject to and affected by chapter five hundred and thirty-two of the acts of nineteen hundred and eleven and amendments thereof may, after fifteen years of continuous service be retired for permanent disability at a yearly rate of not more than one half of his salary, based on the average annual rate of salary received during the last ten years of service: *provided, however,* that the minimum amount be not less than two hundred dollars and that the tables now or hereafter in use by the board of retirement be used in determining the amount to be paid, and the board of retirement may employ a physician to assist it in determining the degree of disability. The decision of the board of retirement shall be final.

The above changes the present law providing retirement allowances for disabled State employees by taking as a basis their average yearly rate of salary for the last ten years of service instead of their average salary, rendering it consistent with the State retirement act (1911, 532, section 6 (2) E). The present law empowers the Retirement Board to call upon the surgeon-general of the militia of the Commonwealth to assist it in determining the degree of disability. In view of his possible absence in the discharge of his military duties the Board believes such contingency will be corrected by the suggested change.

REPORT AND RECOMMENDATIONS.

The Board of Retirement was directed, under authority of chapter 106, Resolves of 1917, as follows:—

RESOLVE PROVIDING FOR AN INVESTIGATION BY THE BOARD OF RETIREMENT RELATIVE TO THE PENSIONS AND ANNUITIES OF EMPLOYEES WHO RECEIVE BOARD OR LODGING AS A PART OF THEIR COMPENSATION.

Resolved, That the board of retirement is hereby authorized and directed to make an investigation and to report to the next general court as

to a basis for determining the value of board, lodging, and other considerations which are a part of the compensation of certain employees in the institutions of the commonwealth, with drafts of such legislation, if any, relating to the said subject, as the board may deem expedient.
[Approved May 18, 1917.]

Pursuant to the directions contained in the above resolve, the Board of Retirement, after careful investigation, reports as follows:—

1. That inequality in retirement allowances results from the operation of the existing law between employees who receive full compensation in cash and those who receive in addition to cash some other form of compensation.

2. That retirement allowances under the State contributory system are proportionate to the basis upon which assessments are made.

The Board finds no justification for a discrimination in the retirement allowances between the two classes, but at the same time it is impressed with the fact that considerable discontent might be created among certain persons who would be inconvenienced by increasing the retirement assessments in cases where an established rate has prevailed for some time and their expenses have been regulated from a small wage. The Board therefore hesitates to make a recommendation for placing all employees upon the basis of having deductions made from the estimated salary or wages, including both cash and maintenance, as such action might tend to increase the difficulties of our institutions in their employment problem, which has already reached an acute state due to the scarcity of persons desiring that kind of employment.

It may be advisable to provide by law that new employees entering the service on a basis of part maintenance should be required to contribute to the retirement system upon an estimated amount to cover both cash and maintenance, and that all allowances for prior service be figured upon an estimated basis to include maintenance at a fixed rate.

The Board has accumulated certain statistics in relation to the members affected and the value of maintenance as estimated by the different institutions. From statistics supplied by 29 institutions the Board finds that only 604 out of a total

of 5,440 employees receive full compensation in cash. There are 4,420 who receive in addition to cash entire maintenance, 69 who receive entire maintenance for themselves and their families, and 347 who receive cash plus the following forms of partial maintenance:—

- 56 cash plus full meals.
- 29 cash plus two meals.
- 179 cash plus dinners.
- 56 cash plus house or cottage.
- 27 cash plus tenement.

Only two State institutions — the State Prison and the Massachusetts Reformatory — pay total compensation in cash to their employees.

The highest valuation placed upon total maintenance by any institution is \$416, while the lowest, \$216, is supplied by several. The average value of total maintenance found from the various rates is \$265, or about \$5 per week.

The query naturally arises as to just what proportion the cash payment bears to the theoretical maintenance valuation. The answer is found in the following table which shows the number of employees who receive in addition to total maintenance the following rate of cash per annum:—

It is evident that while the scope of the subject is of considerable importance to a great many members, it is probable that comparatively few will remain in the service long enough to be retired. If a value is placed upon maintenance it should be uniform, but it is probable that a value which is reasonable to-day might not be considered so at some future date.

Adjustments in cases where employees receive cash plus partial maintenance are too difficult to be considered in any general valuation.

The matter should be confined to total maintenance, which for the period of time prior to June 1, 1912, might be \$5 per week, with provision for changes in valuation by the Board at certain intervals.

CHARLES L. BURRILL, *Chairman.*

CARL A. RAYMOND.

JOHN E. FISH, M.D.

Comparative Financial Statement, as of November 30.

YEAR.	Net Accumulated Deposits.	Yearly Deposits.	Interest credited to Members, Accounts. ¹	REFUNDS. ²		AMOUNT EXPENDED.			Expense of Adminis- tration. ³
				Death.	All Others.	Annuities.	Pensions. Prior.	Subsequent.	
1912,	\$46,430.70	\$47,500.76	\$1,227.73	\$22.73	\$1,343.21	\$2.20	\$5,341.42	\$2.29	\$5,082.66
1913,	144,271.66	105,438.37	5,901.06	354.54	6,540.04	72.34	17,563.97	72.34	6,619.37
1914,	265,060.87	130,607.73	915.90	915.90	13,983.79	189.74	24,728.84	189.74	7,996.22
1915,	139,391.66	385,530.94	8,926.22	2,674.81	23,057.30	405.93	30,027.98	405.93	8,999.45
1916,	512,240.80	157,684.94	16,312.68	2,644.37	39,164.70	802.69	35,870.07	802.69	9,725.32
1917,	633,013.12	161,902.50	21,680.12	4,195.44	49,355.91	1,393.80	42,550.67	1,393.80	9,421.15

¹ Includes surplus.² Includes interest accumulations.³ Includes salaries, contingent expenses and reimbursement to State institutions.*Comparative Statement of Membership, as of November 30.*

YEAR.	Ad- mitted during Year.	REFUNDS.			NUMBER RETIRED.			MEMBERSHIP.			
		Death.	All Others.	Dis- ability.	Volu- ntary.	Commu- nity.	Non- members.	Active.	Mortality.	Retired.	Net Pen- sioners.
1912,	181	12	327	-	20	25	-	3,121	3	42	-
1913,	1,522	21	518	-	26	8	2	4,020	3	75	-
1914,	1,330	19	820	-	21	7	-	4,783	5	98	17
1915,	1,656	29	1,017	3	13	8	-	5,391	3	119	27
1916,	1,445	30	1,333	2	15	10	1	5,448	9	138	55
1917,	1,389	33	1,168	1	20	14	1	5,573	9	165	53

Membership Feb. 1, 1912, 3,324.

¹ Unclaimed accounts of members who have left the service.

Recapitulation of Yearly Pension Cost under Non-contributory and Contributory Pension Systems.

YEAR.	NON-CONTRIBUTORY.				CONTRIBUTORY.
	Judges.	POLICE. Metropolitan Park Commission.	District.	Prison Officers.	
1913,	\$14,779.44	\$1,738.75	\$750.00	\$7,923.60	\$58,305.54
1914,	19,434.68	1,940.50	750.00	9,709.46	9,745.30
1915,	31,404.72	2,296.25	750.00	12,453.56	12,674.33
1916,	30,539.92	2,652.00	1,599.12	14,766.64	15,160.10
1917,	35,610.50	4,598.01	1,213.71	16,100.00	13,592.01

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

¹ Pension payment began July 1, 1914.

Comparison of Average Yearly Pensions granted under Non-contributory and Contributory Pension Systems, as of November 30.

YEAR.	NON-CONTRIBUTORY.				CONTRIBUTORY.
	Judges.	POLICE. Metropolitan Park Commission.	District.	Prison Officers.	
1917,	\$6,482.00 (7)	\$574.75 (9)	\$875.00 (1)	\$702.00 (25)	\$863.21 (94)

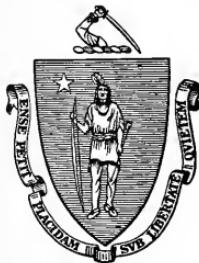
The figure at the right of each column shows the number of pensioners under each system; under contributory systems the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included. Annuities will be as large as the pension paid by the State. Teachers with fifteen years of service on July 1, 1914 (five preceding retirement), minimum, \$300. Minimum of \$200 to all under chapter 532, Acts of 1911.

REPORT

OF THE

STATE BOARD OF RETIREMENT

JANUARY, 1919



BOSTON

WRIGHT & POTTER PRINTING CO., STATE PRINTERS
32 DERNE STREET

1919

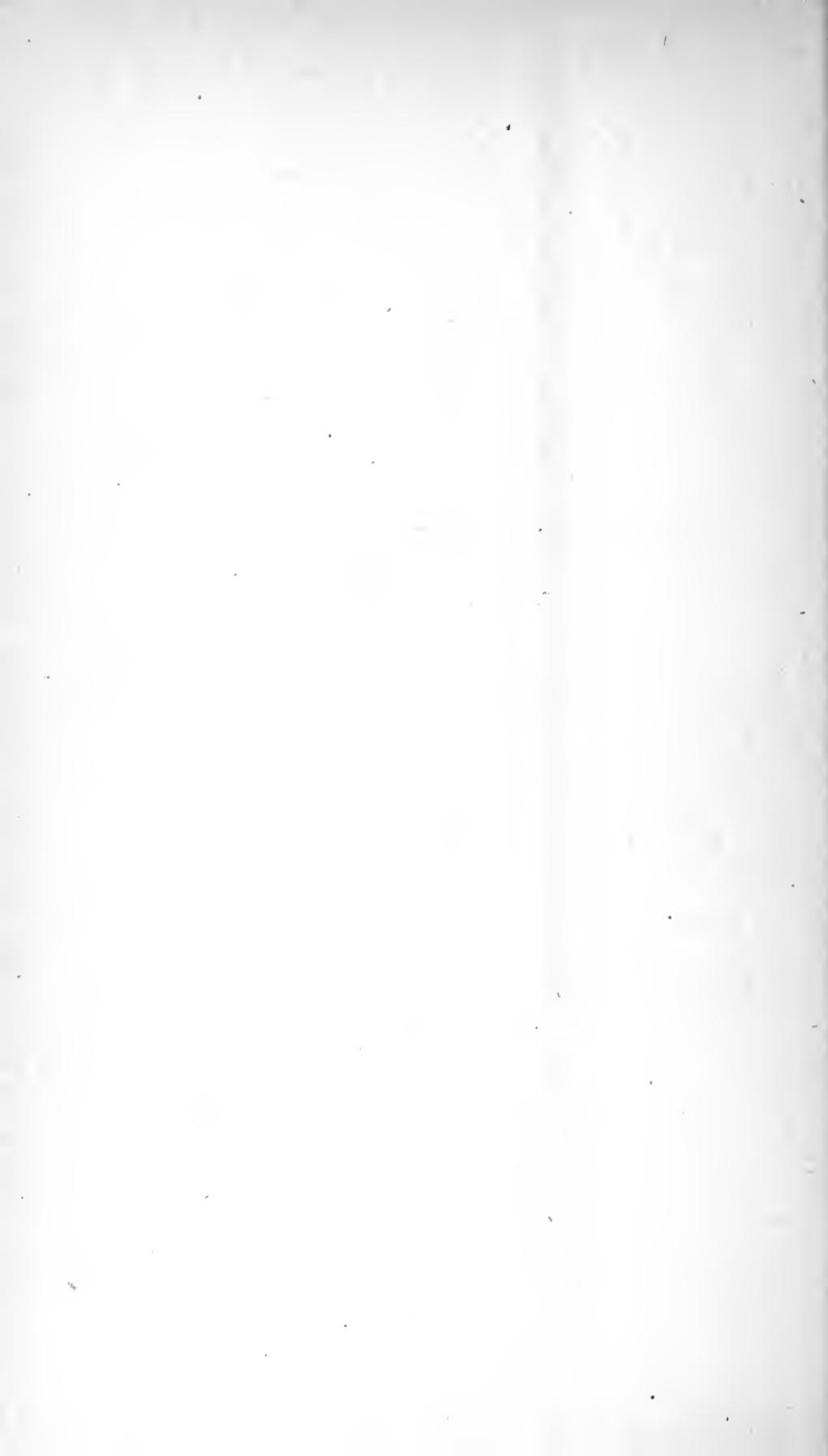
PUBLICATION OF THIS DOCUMENT
APPROVED BY THE
SUPERVISOR OF ADMINISTRATION.

BOARD OF RETIREMENT.

CHARLES L. BURRILL, *Chairman.*

CARL A. RAYMOND.

JOHN E. FISH, M.D.



The Commonwealth of Massachusetts

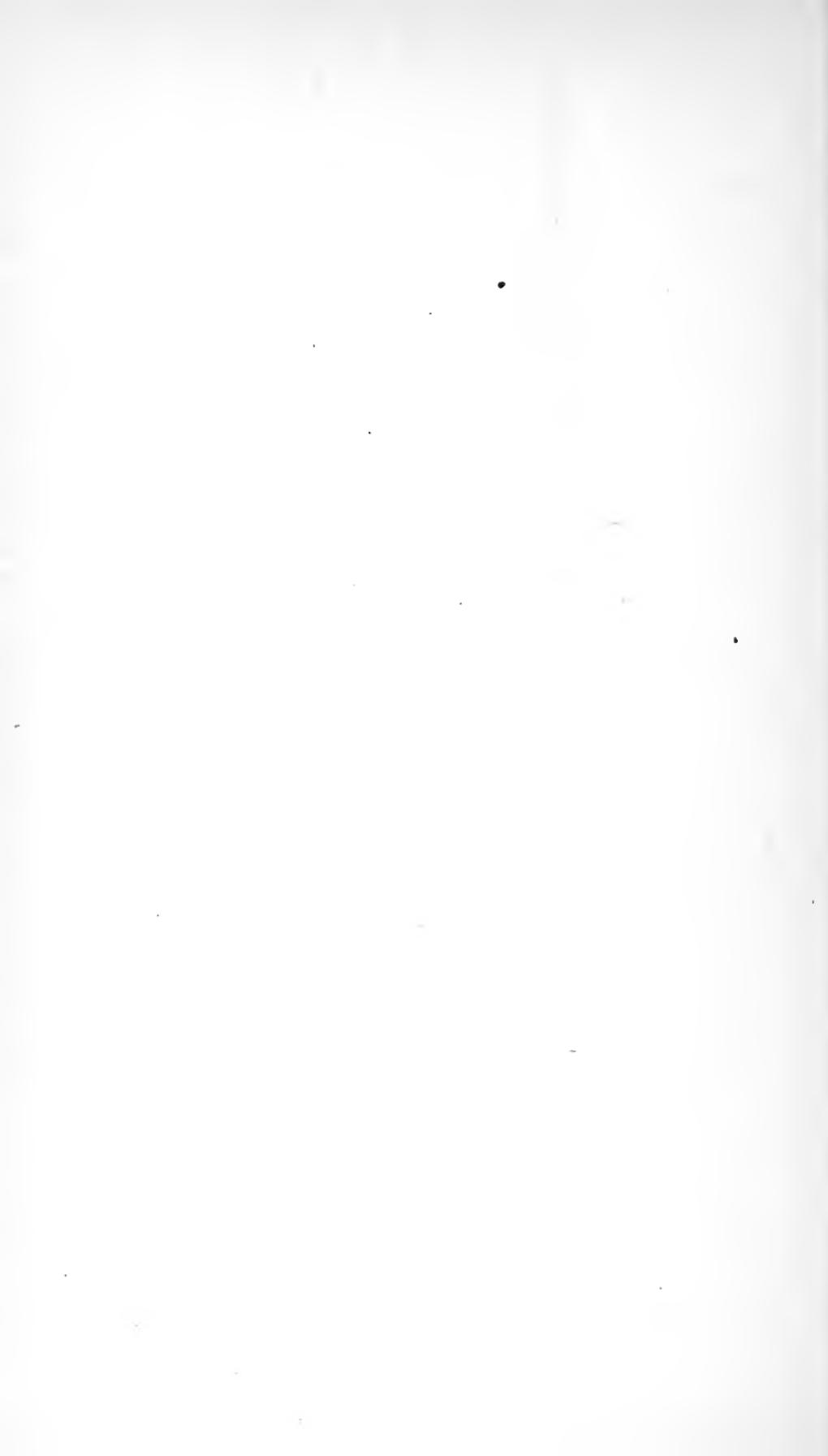
BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, Jan. 29, 1919.

Hon. JOSEPH E. WARNER, *Speaker of the House of Representatives, State House, Boston, Mass.*

DEAR SIR:—I transmit to you herewith for the use of the Legislature the annual report of the Board of Retirement for the year ending Nov. 30, 1918.

Very truly yours,

C. L. BURRILL,
Chairman, Board of Retirement.



The Commonwealth of Massachusetts

REPORT.

BOARD OF RETIREMENT, STATE HOUSE,
BOSTON, MASS., Jan. 29, 1919.

To the Honorable Senate and House of Representatives.

The Board of Retirement presents for your consideration its seventh annual report.

The term of Mr. Carl A. Raymond, second member of the Board, expired on Feb. 16, 1918. An election held under the direction of the Insurance Commissioner resulted in Mr. Raymond's being re-elected for a three-year term.

On Dec. 1, 1917, there were 5,573 members of the Retirement Association. On Dec. 1, 1918, there were 5,365. During the year 1,360 have joined the association, and 1,544 have forfeited membership therein by reason of death or resignation before becoming eligible to a retirement allowance. In addition, 24 have been retired, 6 by reason of reaching seventy years of age, 2 for permanent disability, 15 upon their own request at the age of sixty or over, and 1 as being the wife of a retired member.

By deducting from the whole number enrolled those who have died, who have resigned, and who have been retired we find a net loss in membership of 208. This was, no doubt, in a large measure due to unusual opportunities offered by employment conditions due to the war.

Since the law became operative on June 1, 1912, 221 employees have been retired, and 44 annuitants and 3 non-members have died since retirement, so that retirement allowances are now being paid to 174 former employees. Of this number, 61 were retired at the age of seventy or over, 7 for permanent

disability, 1 non-member for the good of the service, upon request of the department in which he was employed, and 105 retired of their own volition.

The total amount paid to these retired employees during the year ending Dec. 1, 1918, as pensions was \$49,890.50, as compared with \$43,944.47 during the year ending Dec. 1, 1917. The largest amount payable to any individual was \$1,158.88. The number of those who received the maximum retirement allowance, one-half the average cash salary for the ten years preceding retirement, was 72. The average retirement allowance paid to the whole number who benefited by the system during the year was \$315.12.

During the year an examination of the annuity fund was made by the Massachusetts Insurance Department in accordance with the law, and a distribution of the surplus to the individual accounts of members authorized. The total credited amounted to \$7,927.49, and was equal to \$1.40 on each \$100 of each account as it stood on Sept. 30, 1917.

The accumulated savings refunded to members who left the service were \$83,400.69, and the amount refunded to the heirs or estates of deceased members was \$5,689.65.

The retirement system has 279 members who may voluntarily retire at the age of sixty or over during the next fiscal year, 5 under sixty years of age who have completed thirty-five years of service, and 11 who must retire at the age of 70, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted its estimates for appropriation upon experience that it has gained that 7 per cent. of the voluntary eligibles will retire. This will require about \$6,100 in addition to \$52,408.51, the amount of pensions in force on Nov. 30, 1918.

The expenses of the administration of the system for the year were: salaries, \$6,107.02; contingent expenses, \$736.31; reimbursement to institutions for making deductions from members' salaries, etc., \$2,230.88. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

The Board begs to suggest the following two amendments to the State Retirement Act (chapter 532, Acts of 1911, and amendments and additions thereto):—

In section 1 amend definition of "continuous service," in paragraph (f), by adding at the end thereof the following:—*provided, however,* such reinstatement may occur after the expiration of two years in the case of employees in the military or naval service of the United States (or her allies) who are engaged in war or detained thereafter, awaiting demobilization or release, so that said paragraph shall read as follows:—

(f) The words "continuous service" mean uninterrupted employment, with these exceptions: a lay-off on account of illness or reduction of force, and a leave of absence, suspension or dismissal followed by reinstatement within two years: *provided, however,* such reinstatement may occur after the expiration of two years in the case of employees in the military or naval service of the United States (or her allies) who are engaged in war or detained thereafter, awaiting demobilization or release.

The present definition of "continuous service" would make necessary a refund of accounts of those members, who, owing to enrollment in the military or naval service of the United States in the present war, may be separated from the service of the Commonwealth, on leave of absence or otherwise, for a period extending over two years. This further entails loss of credit for service rendered prior to their subsequent reinstatement, and materially impairs their probable retirement allowances. In order that these members may not be deprived of credit for prior service owing to absence extending over two years on account of the war, we submit herewith draft of a bill to secure for them such continuous service credit.

Amend section 4 by striking out paragraph (6), A, B, C, D, E, F and G, and substituting the following:—

(6) The treasurer and receiver general and the board of retirement shall each file in the office of the insurance commissioner on or before the fifteenth day of February in each year, unless for cause the insurance commissioner shall have granted an extension of time, a sworn statement which shall be in a form prescribed by the insurance commissioner and which shall exhibit the financial condition of the retirement system on the thirty-first day of the preceding December. The treasurer and receiver general shall also file each year a copy of said statement with the board of retirement.

The present law does not require the Board of Retirement to file a report of its financial condition with the Insurance

Commissioner. Owing to the fact that some of the data for the report, such as returns from institutions, are not received until late in January, it is practically impossible to prepare a report for filing in January. Under ordinary circumstances February 15 would allow sufficient time. These recommendations have been embodied in the draft of a bill submitted.

CHARLES L. BURRILL, *Chairman.*
CARL A. RAYMOND.
JOHN E. FISH, M.D.

Comparative Financial Statement, as of November 30.

YEAR.	Net Accumulated Deposits.	Yearly Deposits.	Interest credited Members' Accounts. ¹	REFUNDS. ²		AMOUNT EXPENDED.		Expense of Adminis- tration. ³
				Death.	All Others.	Annuities.	PRIOR.	
1912,	\$46,430.70	\$47,500.76	\$1,227.73	\$22.73	\$1,343.21	\$2.29	\$5,341.42	\$2.29
1913,	144,271.66	105,438.37	5,901.06	354.54	6,540.04	72.34	17,503.97	72.34
1914,	265,060.87	130,667.73	915.90	13,983.79	180.74	24,728.84	180.74	7,996.22
1915,	385,530.94	139,394.66	2,674.81	39,057.30	405.93	30,027.98	405.93	8,990.45
1916,	512,240.80	157,684.94	16,342.68	2,644.37	39,164.70	802.69	35,870.07	802.69
1917,	638,013.12	161,902.50	21,680.12	4,195.44	49,355.91	1,393.80	42,550.67	1,393.80
	745,986.87	176,678.34	26,088.53	5,689.65	83,400.69	2,064.01	47,826.49	2,064.01

¹ Includes surplus.² Includes interest accumulations.³ Includes salaries, contingent expenses and reimbursement to State institutions.*Comparative Statement of Membership, as of November 30.*

YEAR.	Ad- mitted during Year.	REFUNDS.		NUMBER RETIRED.			MEMBERSHIP.		Accounts payable. ¹
		Death.	All Others.	Disa- bility.	Volu- ntary.	Compu- latory.	NON' MEMBERS.	MORTALITY.	
1912,							3,121	3	42
1913,							4,020	3	75
1914,							4,733	5	98
1915,							5,399	3	119
1916,							5,448	9	138
1917,							5,573	15	165
1918,							5,395	174	174

Membership Feb. 1, 1912, 3,324.

¹ Unclaimed accounts of members who have left the service.

Recapitulation of Yearly Pension Cost under Non-contributory and Contributory Pension Systems.

YEAR.	Judges.	Non-contributory.			Teachers (Chapter 832, Acts of 1913).	State Employees (Chapter 532, Acts of 1911).
		POLICE.	Metropolitan Park Commission.	District.		
1913,	\$14,779 44	\$1,738 75	\$750 00	\$7,923 60	\$58,305 54	\$17,576 31
1914,	19,434 68	1,940 50	750 00	9,709 46	59,755 30	24,918 58
1915,	31,404 72	2,296 25	750 00	12,433 56	64,674 33	30,443 91
1916,	30,539 92	1,598 00	1,598 12	14,766 64	65,160 00	36,672 76
1917,	35,610 50	4,598 01	1,213 71	16,100 00	63,592 01	43,944 47
1918,	40,929 44	5,806 21	875 00	17,638 55	59,871 84	49,890 50

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

¹ Pension payment began July 1, 1914.

Comparison of Average Yearly Pensions granted under Non-contributory and Contributory Pension Systems, as of November 30.

YEAR.	Judges.	Non-contributory.			Teachers (Chapter 832, Acts of 1913), as of Dec. 31.	State Employees (Chapter 532, Acts of 1911).
		POLICE.	Metropolitan Park Commission.	District.		
1917,	\$6,482 00 (7)	\$574 75 (9)	\$875 00 (1)	\$702 00 (25)	\$683 21 (94)	\$362 70 (287)
1918,	6,250 00 (6)	582 46 (7)	875 00 (1)	728 30 (27)	666 37 (87)	361 99 (338)

The figure at the right of each column shows the number of pensioners under each system; under contributory systems the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included. Annuities will be as large as the pension paid by the State. Teachers with fifteen years of service on July 1, 1914 (five preceding retirement), minimum, \$300. Minimum of \$200 to all under chapter 532, Acts of 1911.

REPORT

OF THE

STATE BOARD OF RETIREMENT

JANUARY, 1920



BOSTON

WRIGHT & POTTER PRINTING CO., STATE PRINTERS
32 DERNE STREET

1920

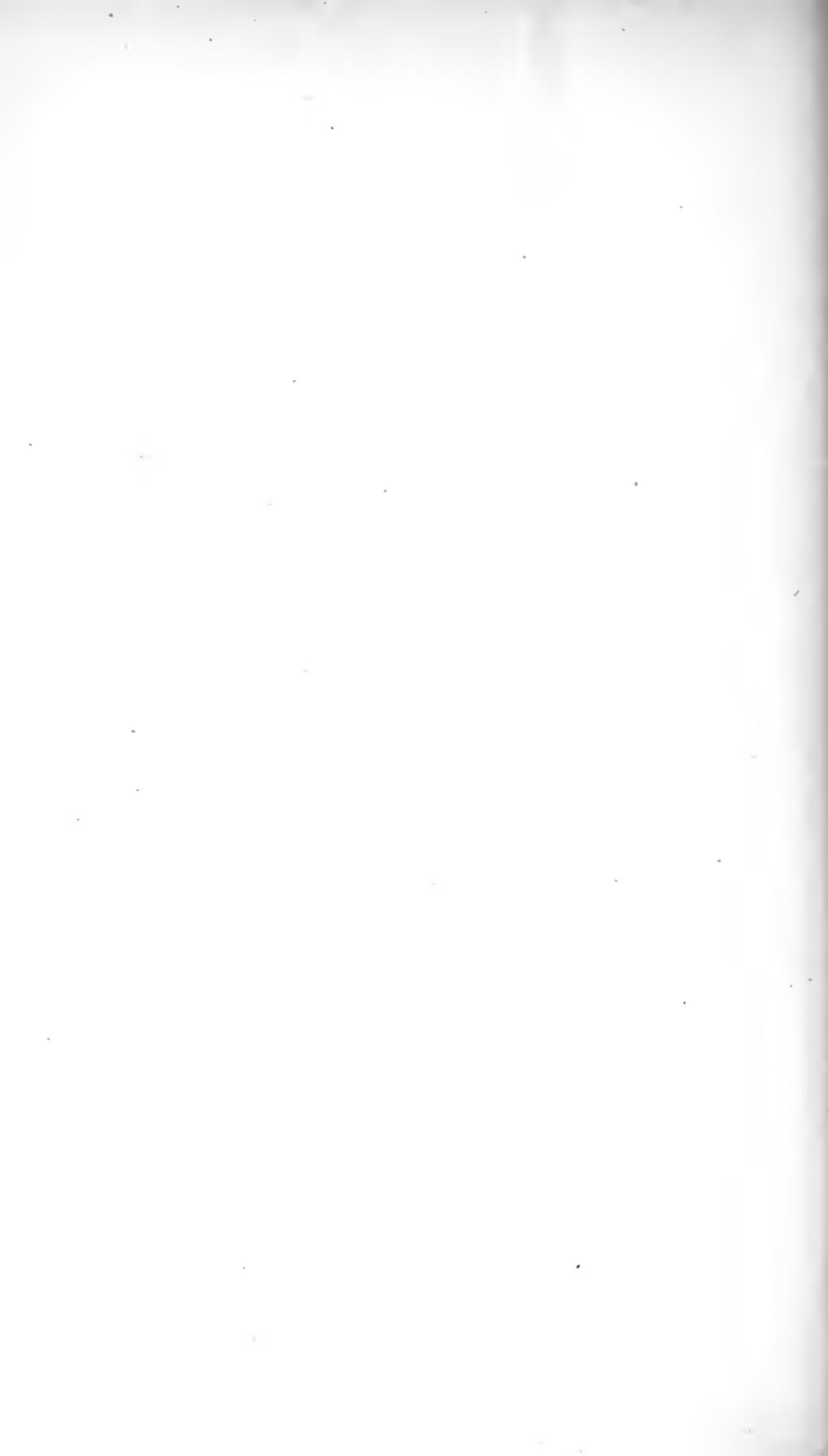
PUBLICATION OF THIS DOCUMENT
APPROVED BY THE
SUPERVISOR OF ADMINISTRATION.

BOARD OF RETIREMENT.

CHARLES L. BURRILL, *Chairman.*

CARL A. RAYMOND.

JOHN E. FISH, M.D.



The Commonwealth of Massachusetts

BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, Jan. 14, 1920.

Hon. JOSEPH E. WARNER, *Speaker of the House of Representatives, State House, Boston, Mass.*

DEAR SIR: — I transmit to you herewith, for the use of the Legislature, the annual report of the Board of Retirement for the year ending Nov. 30, 1919.

Very truly yours,

CHARLES L. BURRILL,
Chairman, Board of Retirement.

The Commonwealth of Massachusetts

R E P O R T .

BOARD OF RETIREMENT, STATE HOUSE,
BOSTON, MASS., Jan. 14, 1920.

To the Honorable Senate and House of Representatives.

The Board of Retirement presents for your consideration its eighth annual report.

The personnel of the Board remained unchanged during the year.

On Dec. 1, 1918, there were 5,365 members of the Retirement Association. On Dec. 1, 1919, there were 6,113. During the year 1,910 have joined the association, and 1,190 have forfeited membership therein by reason of death or resignation before becoming eligible to a retirement allowance. In addition, 31 have been retired, 11 by reason of reaching seventy years of age, 2 for permanent disability, 17 upon their own request at the age of sixty or over, and 1 as a non-member of the association upon recommendation of the department in which he was employed.

By deducting from the whole number enrolled those who have died, who have resigned, and who have been retired, we find a net gain in membership of 748.

Since the law became operative on June 1, 1912, 252 employees have been retired, and 53 annuitants and 3 non-members have died since retirement, so that retirement allowances are now being paid to 196 former employees. Of this number, 70 were retired at the age of seventy or over, 7 for permanent disability, 2 non-members for the good of the service upon request of the departments in which they were employed, and 117 retired of their own volition.

The total amount paid to these retired employees during the year ending Dec. 1, 1919, as pensions was \$56,052.47 as compared with \$49,890.50 during the year ending Dec. 1, 1918.

The largest amount payable to any individual was \$1,200. The number of those who received a retirement allowance of one-half the average cash salary for the ten years preceding retirement was 75. The average retirement allowance paid to the whole number who benefited by the system during the year was \$328.05.

During the year an examination of the annuity fund was made by the Massachusetts Insurance Department in accordance with the law, and a distribution of the surplus to the individual accounts of members authorized. The total credited amounted to \$9,446.54, and was equal to \$1.40 on each \$100 of each account as it stood on Sept. 30, 1918.

The accumulated savings refunded to members who left the service were \$69,785.17, and the amount refunded to the heirs or estates of deceased members was \$10,819.89.

The retirement system has 279 members who may voluntarily retire at the age of sixty or over during the next fiscal year, 18 under sixty years of age who have completed thirty-five years of service, and 14 who must retire at the age of 70, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted its estimates for appropriation upon experience that it has gained that 7 per cent of the voluntary eligibles will retire. This will require about \$3,540 in addition to \$60,236.41, the amount of pensions in force on Nov. 30, 1919.

The expenses of the administration of the system for the year were: salaries, \$7,355.50; contingent expenses, \$761.58; reimbursement to institutions for making deductions from members' salaries, etc., \$2,172.12. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

The Board begs to suggest the following amendments to the State Retirement Act (chapter 532, Acts of 1911, and amendments and additions thereto):—

The Commonwealth at various times has assumed control of departments or institutions formerly administered by a city, county or corporation. The Commonwealth has provided that the service rendered to an undertaking by certain employees prior to being transferred with the undertaking shall become

a part of the continuous service for the Commonwealth of all who happen to be under fifty-five years of age on the date of transfer. By limiting the benefits of membership in the Retirement Association to only those under age fifty-five, discrimination and injustice result to those over fifty-five years of age at the time when the undertaking is taken over by the Commonwealth.

SECTION 1. Section three, paragraph two, of chapter five hundred and thirty-two of the acts of the year nineteen hundred and eleven, as amended by chapter three hundred and sixty-three of the acts of the year nineteen hundred and twelve, is hereby further amended by adding to said paragraph the following:—All persons who are members of the retirement association established by chapter eight hundred and thirty-two of the acts of the year nineteen hundred and thirteen who enter the service of the commonwealth, and persons in the employ of a department or institution formerly administered by a city, county, or corporation when it is taken over by the commonwealth, shall become members of the retirement association established by chapter five hundred and thirty-two of the acts of the year nineteen hundred and eleven, irrespective of age, and no such employee shall remain in the service of the commonwealth after reaching the age of seventy years,—so that said paragraph shall read as follows:—(2) All employees who enter the service of the commonwealth after the date when the retirement system is established, except persons who have already passed the age of fifty-five years, shall upon completing ninety days of service become thereby members of the association. Persons over fifty-five years of age who enter the service of the commonwealth after the establishment of the retirement system shall not be allowed to become members of the association, and no such employee shall remain in the service of the commonwealth after reaching the age of seventy years. All persons who are members of the retirement association established by chapter eight hundred and thirty-two of the acts of the year nineteen hundred and thirteen who enter the service of the commonwealth, and persons in the employ of a department or institution formerly administered by a city, county, or corporation when it is taken over by the commonwealth, shall become members of the retirement association established by chapter five hundred and thirty-two of the acts of the year nineteen hundred and eleven, irrespective of age, and no such employee shall remain in the service of the commonwealth after reaching the age of seventy years.

The law provides a pension for the periods of employment prior to June 1, 1912, but it does not provide any pension for the period of service rendered to an undertaking after June 1, 1912, from that date up to the date the person enters the

employ of the Commonwealth by the transfer of the department or institution.

SECTION 2. Section six (2), C (b) of chapter five hundred and thirty-two of the acts of the year nineteen hundred and eleven, as amended by chapter three hundred and sixty-three of the acts of the year nineteen hundred and twelve, chapter two hundred and fifty-seven of the acts of the year nineteen hundred and eighteen, section one hundred and seven is hereby further amended by adding after paragraph (b) the following new paragraph:— (c) Any member entitled to retirement under this act whose continuous employment for the commonwealth began at the time a department or institution formerly administered by a city, county, or corporation was taken over by the commonwealth shall receive at retirement in addition to the pension payable under paragraph C (b) of this section an extra pension for life equal to the annuity he would have purchased under two, B (a) of this section by five per cent contribution from the salary paid to him by the department or institution from June first, nineteen hundred and twelve, up to the date of membership in the retirement association, and if such contributions had been accumulated with regular interest, to the date of his retirement.

Certain State employees receive maintenance as a part of their compensation. Contributions to the annuity fund cannot be made from this form of compensation, which results in their contributing only on the part of compensation which is paid in cash, and which reduces in direct proportion the amount they will receive at retirement. While the law has partly corrected this by providing that no retirement allowance shall be less than \$200 per annum, it has not provided what we today believe is a reasonable equivalent, \$300 per annum.

SECTION 3. Section six (2), C (b) of chapter five hundred and thirty-two of the acts of the year nineteen hundred and eleven, as amended by chapter three hundred and sixty-three of the acts of the year nineteen hundred and twelve, is hereby further amended by striking out the words "two hundred dollars", in the third paragraph of said paragraph, and inserting the words:— three hundred dollars,— so that said paragraph shall read as follows:— In the case of members of the association related as husband and wife, if one of the two retires or is retired the other shall have the right also to retire, and shall be paid a retiring allowance proportionate to the amount of his or her accumulated contributions to date, or, in case the allowance thus calculated is less than the minimum allowance of three hundred dollars hereinafter provided for, shall be paid that sum annually.

SECTION 4. Section six (2) E of chapter five hundred and thirty-two of the acts of the year nineteen hundred and eleven, as amended by section one hundred and eight of chapter two hundred and fifty-seven of the acts of the year nineteen hundred and eighteen, is hereby further amended by striking out the words "two hundred dollars" and inserting the words:— three hundred dollars,— so as to read as follows:— *E. Minimum and Maximum Payments.*— In no case shall the total monthly payment to a member be at a rate less than three hundred dollars per year, or at a rate more than one-half the average annual rate of salary or wages of such member during the ten years prior to his retirement.

SECTION 5. Chapter four hundred and nineteen of the acts of the year nineteen hundred and fourteen, as amended by chapter two hundred and fifty-seven, section one hundred and ten, General Acts of the year nineteen hundred and eighteen, is hereby further amended by striking out the words "two hundred dollars" and inserting in place thereof the words:— three hundred dollars,— so as to read as follows:— *Section 1.* Any employee of the commonwealth subject to and affected by chapter five hundred and thirty-two of the acts of nineteen hundred and eleven and amendments thereof may, after fifteen years of continuous service, be retired for permanent disability at a yearly rate of not more than one half of his salary, based on the average annual rate of salary received during the last ten years of service: *provided, however,* that the minimum amount be not less than three hundred dollars and that the tables now in use by the board of retirement be used in determining the amount to be paid, and the board of retirement may call upon the chief surgeon of the land forces of the commonwealth, or, if he is absent or unable to act, may employ a physician to assist it in determining the degree of disability. The decision of the board of retirement shall be final.

The legislative action necessary to embody the above recommendations has been submitted by this Board in a draft of a bill.

CHARLES L. BURRILL, *Chairman.*

CARL A. RAYMOND.

JOHN E. FISH, M.D.

BOARD OF RETIREMENT.

[Jan.]

Comparative Financial Statement, as of November 30.

YEAR.	Net Accumulated Deposits.	Yearly Deposits.	Interest credited Members Accounts. ¹	REFUNDS. ²		AMOUNT EXPENDED.		Expense of Adminis- tration. ³	
				Deaths.	All Others.	Annuities.	Pensions. Prior.	Subsequent.	
1912,	\$45,430.70	\$47,500.76	\$1,227.73	\$22.73	\$1,343.21	\$2.29	\$5,341.42	\$2.29	\$5,082.66
1913,	144,271.66	105,438.37	5,901.06	354.54	6,540.04	72.34	17,503.97	72.34	6,619.37
1914,	265,060.87	130,867.73	5,901.06	915.90	13,958.79	189.74	24,728.84	189.74	7,946.22
1915,	385,530.94	157,894.66	8,622.22	2,674.81	23,057.30	405.93	30,027.98	405.93	8,969.45
1916,	512,240.80	167,884.94	16,342.68	2,644.37	39,164.07	802.69	35,870.07	802.69	9,725.32
1917,	638,013.12	161,902.50	21,680.12	4,105.44	49,355.91	1,393.80	42,550.67	1,393.80	9,421.15
1918,	745,986.87	176,678.34	26,085.53	5,689.65	83,400.69	2,064.01	47,826.49	2,064.01	9,074.21
1919,	909,670.37	227,661.17	30,923.50	10,819.89	69,785.17	2,969.94	53,082.53	2,969.94	10,280.20

¹ Includes surplus. ² Includes interest accumulations. ³ Includes salaries, contingent expenses and reimbursement to State institutions.*Comparative Statement of Membership, as of November 30.*

YEAR.	Ad- mitted during Year.	REFUNDS.		NUMBER RETIRED.			MEMBERSHIP.			Accounts payable. ¹	
		Death.	All Others.	Disa- bility.	Volu- ntry.	Compu- latory.	Non- members	Active.	Mortality.	Retired.	
1912,	181	12	327	-	20	25	-	3,121	3	42	-
1913,	1,522	21	568	-	26	8	-	4,020	3	75	-
1914,	1,630	19	820	-	21	7	-	4,783	5	98	17
1915,	1,686	29	1,017	3	13	8	-	5,399	3	119	27
1916,	1,445	30	1,339	2	15	10	1	5,448	9	138	55
1917,	1,389	33	1,168	1	20	14	1	5,573	9	165	53
1918,	1,360	40	1,446	2	16	6	-	5,365	15	174	57
1919,	1,910	65	1,125	2	17	11	1	5,969	9	196	144

Membership Feb. 1, 1912, 3,324.

¹ Unclaimed accounts of members who have left the service.

Recapitulation of Early Pension Cost under Non-contributory and Contributory Pension Systems.

YEAR.	NON-CONTRIBUTORY.				CONTRIBUTORY.
	Judges.	POLICE. Metropolitan Park Commission.	Prison Officers.	Veterans.	
1913,	\$14,779.44	\$1,738.75	\$7,923.60	\$58,395.54	\$17,576.31
1914,	19,434.68	1,940.50	9,790.46	59,755.30	24,918.43
1915,	31,404.72	2,296.25	12,453.56	64,674.33	30,433.91
1916,	30,539.92	2,532.00	1,599.12	65,160.10	36,672.76
1917,	35,610.50	4,598.01	1,213.71	16,100.00	108,558.62
1918,	40,929.44	5,806.21	875.00	17,688.55	43,944.47
1919,	39,402.45	7,872.30	875.00	18,203.63	49,890.50

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

¹ Reimbursement to cities and towns for the pensions they paid to retired teachers included.

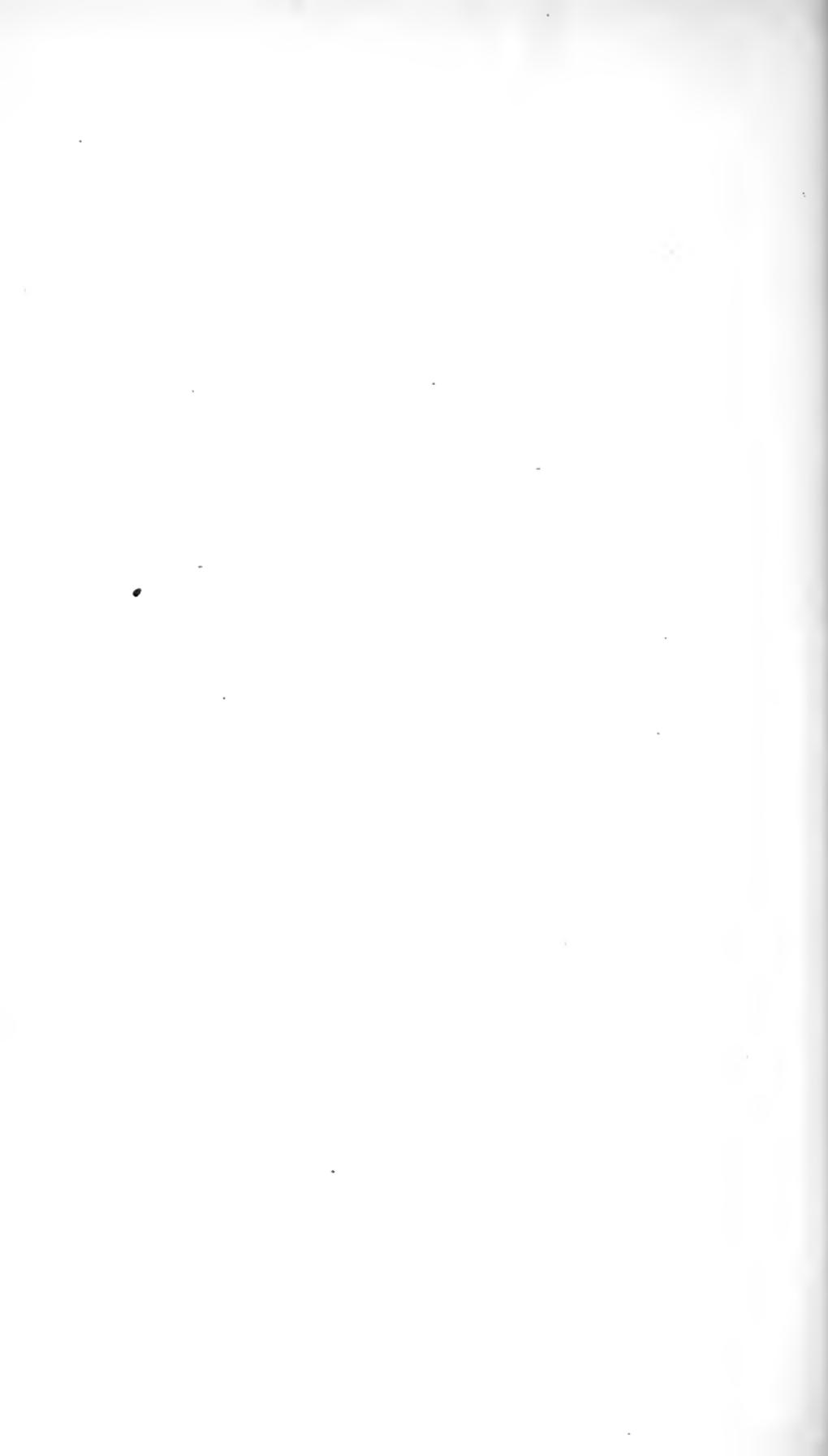
² Pension payment began July 1, 1914.

Comparison of Average Payments to Persons retired under Non-contributory and Contributory Pension Systems, as of November 30.

YEAR.	NON-CONTRIBUTORY.				CONTRIBUTORY.
	Judges.	POLICE. Metropolitan Park Commission.	Prison Officers.	Veterans.	
1919,	\$6,428.66 (7)	\$614.59 (14)	\$875.00 (1)	\$732.42 (25)	\$692.88 (88)

The figure at the right of each column shows the number of pensioners under each system November 30; under contributory systems the figures represent the amount paid by the State, and the annuities paid from members' contributions.

Teachers with fifteen years of service on July 1, 1914 (five preceding retirement), minimum, \$300. Minimum of \$200 to all under chapter 532, Acts of 1911.



The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1920

DEPARTMENT OF TREASURER AND RECEIVER-GENERAL



BOSTON

WRIGHT & POTTER PRINTING CO., STATE PRINTERS
32 DERNE STREET

PUBLICATION OF THIS DOCUMENT
APPROVED BY THE
SUPERVISOR OF ADMINISTRATION.

BOARD OF RETIREMENT.

JAMES JACKSON, *Chairman.*

CARL A. RAYMOND.

JOHN E. FISH, M.D.

The Commonwealth of Massachusetts

DIVISION OF BOARD OF RETIREMENT,
116 STATE HOUSE, BOSTON, March 7, 1921.

Hon. BENJAMIN L. YOUNG, *Speaker of the House of Representatives, State House, Boston, Mass.*

DEAR SIR:—I transmit to you herewith, for the use of the Legislature, the annual report of the Board of Retirement for the year ending Nov. 30, 1920.

Very truly yours,

JAMES JACKSON,
Chairman, Board of Retirement.

The Commonwealth of Massachusetts

R E P O R T.

DIVISION OF BOARD OF RETIREMENT,
116 STATE HOUSE, BOSTON, March 7, 1921.

To the Honorable Senate and House of Representatives.

The Board of Retirement presents for your consideration its ninth annual report.

On Dec. 1, 1919, there were 6,113 members of the Retirement Association. On Dec. 1, 1920, there were 6,282. During the year 1,679 have joined the association, and 1,483 have forfeited membership therein by reason of death or resignation before becoming eligible to a retirement allowance. In addition, 28 have been retired, 11 by reason of reaching seventy years of age, 1 for permanent disability, 15 upon their own request at the age of sixty or over, and 1 as a non-member of the association upon recommendation of the department in which he was employed.

By deducting from the whole number enrolled those who have died, who have resigned, and who have been retired, we find a net gain in membership of 169.

Since the law became operative on June 1, 1912, 280 employees have been retired, and 68 annuitants and 3 non-members have died since retirement, so that retirement allowances are now being paid to 209 former employees. Of this number, 70 were retired at the age of seventy or over, 8 for permanent disability, 3 non-members for the good of the service upon request of the departments in which they were employed, and 128 retired of their own volition.

The total amount paid to these retired employees during the year ending Dec. 1, 1920, as pensions was \$63,159.09 as compared with \$56,052.47 during the year ending Dec. 1, 1919.

The largest amount payable to any individual was \$1,200. The number of those who received a retirement allowance of one-half the average cash salary for the ten years preceding retirement was 50. The average retirement allowance paid to the whole number who benefited by the system during the year was \$333.97.

During the year an examination of the annuity fund was made by the Massachusetts Insurance Department in accordance with the law, and a distribution of the surplus to the individual accounts of members authorized. The total credited amounted to \$14,055.42, and was equal to \$1.75 on each \$100 of each account as it stood on Sept. 30, 1919.

The accumulated savings refunded to members who left the service were \$101,888.03, and the amount refunded to the heirs or estates of deceased members was \$7,496.99.

The retirement system has 267 members who may voluntarily retire at the age of sixty or over during the next fiscal year, 17 under sixty years of age who have completed thirty-five years of service, and 19 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted its estimates for appropriation upon experience that it has gained that 7 per cent of the voluntary eligibles will retire. This will require about \$4,680 in addition to \$66,477.87, the amount of pensions in force on Nov. 30, 1920.

The expenses of the administration of the system for the year were: salaries, \$8,343.80; contingent expenses, \$1,022.45; reimbursement to institutions for making deductions from members' salaries, etc., \$2,420.68. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

RECOMMENDATIONS FOR LEGISLATION.

The Board recommends the following amendments to the State Retirement Act (chapter 32, General Laws, sections 1 to 5, inclusive): —

The law regarding the eligibility of officials appointed by the Governor for fixed terms to membership in the Retirement

Association has been subject to varied interpretations. The Board has established rules under which certain facts would determine whether these officers of the Commonwealth would become members of the association, but has had considerable difficulty to administer the provisions of the law and the rules prescribed when there appears to be a legal difference of opinion in the matter. A section should be provided in the law to establish definitely the status of such officials with respect to their membership in the Retirement Association.

Section two, paragraph three, of chapter thirty-two of the General Laws is hereby amended by adding at the end of said paragraph the following:— An official under fifty-five years of age when appointed or reappointed by the governor for a fixed term of years may, if his sole employment is in the service of the commonwealth, become a member of the retirement association by making written application for membership within one year from the date of his original appointment or subsequent reappointment to the same office. An official who is a member of the retirement association shall not receive credit for any period of service which he may have rendered as an official from June first, nineteen hundred and twelve, to the dates of his appointment or reappointment which immediately preceded his membership in the retirement association; and when he is enrolled upon application he shall continue to be a member of the association until retired, or until he ceases to be an official or employee of the commonwealth, provided, that officials who are members of the association when this act takes effect may, upon written application to the board within six months after said date, withdraw their membership and their accounts in the association.

The Retirement Act prescribes a certain age beyond which no person subject to its provisions should remain in the service of the Commonwealth. The law makes it a mandatory function of the Board and empowers them with full authority to retire all members of the association at age seventy. It prescribes also that certain individuals who were too old to become members of the association when they were employed shall not remain in the service after reaching age seventy, but it does not give the Board any authority to enforce this provision and restrain any violations thereof. The law should give the Board an effective way to see that its provisions have only one interpretation affecting all, and a section similar to

the one now in the civil service law should be provided in the retirement law to accomplish the desired results.

Section thirty-five of chapter thirty-two of the General Laws is hereby amended by adding at the end of said paragraph the following:—If, in the judgment of the board of retirement, a person is appointed or employed in the service in violation of the provisions of sections one to five, inclusive, of this chapter, or in violation of any rules or regulations of the board consistent with the provisions of said sections, the board shall after written notice to the appointing or employing officer or officers, and to such persons, notify in writing the treasurer and auditor or other disbursing officer of the commonwealth; and the payment of any salary or compensation to such person shall be illegal and shall cease at the expiration of one week after the latter notice. It shall be unlawful for the treasurer, auditor or other disbursing officer of the commonwealth to draw, sign or issue, or to authorize the drawing, signing or issuing of, any warrant, or to make payment of any salary or compensation to the person so found by the board to be illegally employed.

The legislative action necessary to embody the above recommendations has been submitted by this Board in a draft of a bill.

JAMES JACKSON, *Chairman.*

CARL A. RAYMOND.

JOHN E. FISH, M.D.

Comparative Financial Statement, as of November 30.

1921.]

PUBLIC DOCUMENT — No. 99.

11

YEAR.	Net Accumulated Deposits.	Yearly Deposits.	Interest credited Members' Accounts. ¹	REFUNDS. ²			AMOUNT EXPENDED,			Expense of Administration. ³	
				Deaths.	All Others.	Annuities.	PENSIONS.				
							Prior.	Subsequent.			
1912.	\$46,430	70	\$47,500	76	\$22	73	\$1,343	21	\$2	23	
1913.	144,271	66	105,438	37	354	54	6,350	04	72	34	
1914.	265,060	87	130,667	73	915	90	13,983	79	189	74	
1915.	385,530	94	139,354	66	2,674	81	23,657	30	405	93	
1916.	512,240	80	157,684	94	16,342	68	39,164	70	802	69	
1917.	638,013	12	161,902	50	21,680	12	4,195	44	1,333	80	
1918.	757,986	37	176,675	34	5,088	53	83,400	69	2,084	01	
1919.	599,670	37	227,661	17	30,923	50	69,785	17	2,969	94	
1920.	1,087,916	28	262,235	64	39,870	66	7,496	99	4,221	15	
							101,888	03			
							4,171	00			
									11,786	93	

YEAR.	Ad- mitted during Year.	REFUNDS.			NUMBER RETIRED.			MEMBERSHIP.		
		Deaths.	All Others.	Disa- bility.	Volun- tary.	Compu- latory.	Non- members.	Active.	RETIRED.	
									Mortality.	Net Pen- sioners.
1912.		181	12	327	-	20	25	-	3,121	3
1913.	1,522	21	568	-	26	8	2	4,020	3	42
1914.	1,630	19	820	-	21	7	-	4,783	5	75
1915.	1,686	29	1,017	3	13	8	-	5,369	3	98
1916.	1,445	30	1,339	2	15	10	1	5,448	9	119
1917.	1,389	33	1,088	1	20	14	1	5,573	9	138
1918.	1,360	40	1,446	2	16	6	1	5,365	15	165
1919.	1,610	65	1,125	2	17	11	1	5,969	9	55
1920.	1,679	38	1,445	1	15	11	1	6,282	15	209

¹ Includes surplus.

² Includes interest accumulations.

³ Includes salaries, contingent expenses and reimbursement to State institutions.

Comparative Statement of Membership, as of November 30.

Membership, Feb. 1, 1912, 3,324.

¹ Unclaimed accounts of members who have left the service.

Recapitulation of Yearly Pension Cost under Non-contributory and Contributory Pension Systems. (Chapter 32, General Laws).

YEAR.	NON-CONTRIBUTORY.				CONTRIBUTORY.
	POLICE.	Metropolitan Park Commission (Sections 62 to 73).	District (Section 68).	Retired Women Cleaners (Section 74).	
1913,	\$14,779.44	\$1,738.75	\$750.00	\$7,923.60	\$58,305.54
1914,	19,334.68	1,940.50	750.00	9,709.46	59,755.30
1915,	31,404.72	2,296.25	1,245.56	12,453.56	56,473.29
1916,	30,539.92	2,332.00	1,599.12	14,766.64	64,674.33
1917,	35,610.50	4,598.01	1,213.71	16,160.10	65,160.10
1918,	40,929.44	5,861.21	875.00	17,688.55	63,562.62
1919,	31,062.45	7,872.30	875.00	18,203.63	59,871.84
1920,	49,400.00	9,486.88	1,873.22	20,425.73	135,537.62
					158,456.81
					56,052.47
					63,159.09
					63,159.09

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

¹ Reimbursement to cities and towns for the pensions they paid to retired teachers included.
² Pension payment began July 1, 1914.

Comparison of Average Payments to Persons retired under Non-contributory and Contributory Pension Systems, as of November 30.

YEAR.	NON-CONTRIBUTORY.				CONTRIBUTORY.
	Judges.	Police.	Metropolitan Park Commission.	District.	
1919,		\$6,428.66 (7)	\$614.59 (14)	\$875.00 (1)	\$692.88 (88)
1920,		6,225.00 (8)	656.43 (19)	1,118.73 (4)	748.13 (30)

YEAR.	NON-CONTRIBUTORY.				CONTRIBUTORY.
	Judges.	Police.	Metropolitan Park Commission.	District.	
1919,		\$6,428.66 (7)	\$614.59 (14)	\$875.00 (1)	\$732.42 (25)
1920,		6,225.00 (8)	656.43 (19)	1,118.73 (4)	729.19 (30)

The figure at the right of each column shows the number of pensioners under each system November 30; under contributory systems the figures represent the amount paid by the State, and the annuities paid from members' contributions. Public school teachers with fifteen years of service who served prior to July 1, 1914 (five preceding retirement) and who were retired before May 12, 1920, minimum, \$300; those retired after said date, \$400. Under State Employees' Act of 1911, minimum of \$200 to all retired prior to Aug. 26, 1920, and \$300 to all retired after said date.

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1921

DEPARTMENT OF TREASURER AND RECEIVER-GENERAL



BOSTON

WRIGHT & POTTER PRINTING CO., STATE PRINTERS
32 DERNE STREET

PUBLICATION OF THIS DOCUMENT
APPROVED BY THE
SUPERVISOR OF ADMINISTRATION.

BOARD OF RETIREMENT.

JAMES JACKSON, *Chairman.*

WARREN A. MERRILL.

JOHN E. FISH, M.D.

The Commonwealth of Massachusetts

DIVISION OF BOARD OF RETIREMENT,
116 STATE HOUSE, BOSTON, March 6, 1922.

*To the Honorable Senate and House of Representatives, State House, Boston,
Mass.*

GENTLEMEN:— I transmit to you herewith, for the use of the Legislature, the annual report of the Board of Retirement for the fiscal year ending Nov. 30, 1921.

Very truly yours,

JAMES JACKSON,
Chairman.

The Commonwealth of Massachusetts

REPORT.

DIVISION OF BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, March 6, 1922.

To the Honorable Senate and House of Representatives.

The tenth annual report of the Board of Retirement for the year ending Nov. 30, 1921, is herewith presented for your consideration.

The third term of Mr. Carl A. Raymond, the elected member of the Board by the members of the Retirement Association, who has served since it was organized in 1912, expired on Feb. 16, 1921. Mr. Raymond declined re-election, and the contest, held under the direction of the Commissioner of Insurance, resulted in the election of Mr. Warren A. Merrill of the Department of Mental Diseases for a term of three years.

The provisions of the contributory law have been in operation approximately ten years, and during that period of time amendments have been made to certain laws which were passed before the general contributory law, and which provided for the retirement of certain classes of employees under a non-contributory law, so that now all who enter the State or metropolitan district service, with the exception of certain veterans and judges, have no pension rights under a non-contributory law, but must be retired under the general contributory law. Veterans of the World or Spanish War may be retired under either the general contributory law or under a special non-contributory act.

The present fund consists of \$1,185,237.37, which has been deducted from the salary or wages of the members, and \$158,440.53, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts on Nov. 30, 1921, amounts to \$1,343,677.90.

The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited an extra dividend of \$1.75 to each \$100 of each account as it stood on Sept. 30, 1920; the total thus credited amounted to \$17,465.43.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1917, $4\frac{1}{2}$ per cent; 1918, $4\frac{2}{5}$ per cent; 1919, $4\frac{2}{5}$ per cent; 1920, $4\frac{3}{4}$ per cent; 1921, $4\frac{3}{4}$ per cent. The annuity fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof.

The membership of the Retirement Association when it was first organized was 3,324, and the membership on Nov. 30, 1921, was 6,997. When the contributory law was passed all persons in the service who were not provided with a pension under some non-contributory law were given the option of becoming a member of the association, and thus providing for themselves a pension. They had the option of accepting the pension privilege, and of those who declined to accept the right to a future pension, there appears to be only about 168 now in the service out of an average normal pay roll of about 11,500 employees, who by their own act are not entitled to any pension from the State.

During the year 1,752 new employees have become members of the association and 993 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 44 persons during the year,—18 by reason of reaching the age of seventy, 1 for permanent disability, and 25 between sixty and seventy years of age upon their own request.

The number of employees who have been granted a retirement allowance since the law became operative June 1, 1912, is 324. Since retirement 79 annuitants and 4 non-members have died, so that retirement allowances are now being paid to 241

former employees. Of this number, 83 were retired at the age of seventy or over; 8 were retired for permanent disability; 2 non-members, who were over fifty-five years of age when the retirement law was passed, were retired upon the requests of the departments in which they were employed; and 148 were retired upon their request between sixty and seventy years of age.

The following number at present ages, nearest birthday, are receiving a retirement allowance:—

AGE.	Number.	AGE.	Number.	AGE.	Number.
40	-	57	1	74	16
41	-	58	3	75	12
42	-	59	1	76	11
43	1	60	2	77	6
44	-	61	2	78	3
45	-	62	7	79	3
46	-	63	6	80	4
47	1	64	4	81	3
48	-	65	13	82	1
49	-	66	8	83	2
50	-	67	18	84	2
51	1	68	14	85	-
52	-	69	13	86	1
53	-	70	27	87	-
54	3	71	16	88	-
55	2	72	22	89	-
56	1	73	11		

During the year ending Nov. 30, 1921, \$72,318.13 was paid as pensions to persons upon the retired list as compared with \$63,159.09 for the previous year. The largest retirement allowance being paid to an individual is \$1,362.92. The average retirement allowance paid to the persons on the list Dec. 1, 1921, is \$355.

By chapter 487, Acts of 1921, an amendment was made to the law providing compensation to a widow during her widow-

hood; or if no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. One payment is now being made under this act.

The accumulated savings refunded to members who left the service were \$69,186.12, and the amount refunded to the heirs or estates of deceased members was \$7,282.50.

The retirement system has 300 members who may voluntarily retire at the age of sixty to seventy during the coming fiscal year; 14 under sixty years of age who have completed thirty-five years of service; and 15 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board had submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 7 per cent of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$5,740 in addition to \$79,884.62, the amount of pensions in force on Nov. 30, 1921.

The expenses of the administration of the system for the year were: salaries, \$7,398.50; contingent expenses, \$1,045.05; reimbursement to institutions for making deductions from members' salaries, etc., \$2,347.10. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

RECOMMENDATIONS FOR LEGISLATION.

The Board recommends the following amendments to the State Retirement Act (chapter 32, General Laws, sections 1 to 5, inclusive):—

The Board of Retirement has been advised by the Attorney-General that under the terms of the statutes deductions can be made only from the compensation paid in money. Many persons in the service of State institutions are boarded and housed at the expense of the Commonwealth, and the scale of cash compensation paid is accordingly lower than it would be otherwise.

The basis upon which assessments are made is one of the most important factors in determining the quantum of a retirement allowance, and inequality in the amount of retirement allowance results under the existing law between employees who receive full compensation in cash and those who receive in addition to cash some other form of compensation.

Section one of chapter thirty-two of the General Laws is hereby amended by adding after the word "meanings", in the second line, the following:—"Salary or wages", cash received for regular services plus such allowance for other compensation not paid in cash as may be hereinafter provided.

Section three of chapter thirty-two of the General Laws is hereby amended by adding at the end of said section the following new paragraph:—The board shall add to the cash payment for regular services in cases where a state institution employee receives a non-cash allowance to cover compensation, in the form of full or complete boarding and housing in accordance with the practice in such state institution, an amount at the rate of five dollars per week, which amount, added to the cash, shall be subject to annuity fund assessments.

To change the provisions of law in cases where a husband and wife are both employed by the State and one retires, the other may retire irrespective of age or length of service, so that the latter will only be entitled to a pension from the State equal to the annuity purchasable from his or her contributions, even though such pension and annuity may be less than the minimum provided for persons who have served the otherwise required period of years and attained the otherwise required age.

Section five of chapter thirty-two of the General Laws is hereby amended by striking out the following subparagraph of paragraph (2) C (b):—"Where members of the association are husband and wife, if one of the two retires or is retired the other may also retire, and shall be paid a retiring allowance proportionate to the amount of his accumulated contributions to date, or, in case the allowance thus calculated is less than the minimum allowance hereinafter provided for, shall be paid that sum annually", and inserting in place thereof the following new subparagraph:—Where members of the association are husband and wife, if one of the two retires or is retired the other may, irrespective of age and service, on the date on which the husband or wife is retired, be retired by the board,

and if so retired shall be paid at the attained age the retiring allowances provided under paragraph (2) *B* and *C* of this section; provided, however, that the minimum allowance provided under section five (2) *E* shall not apply to a member whose retirement allowance is granted under this paragraph.

It is recommended that legislation be passed to incorporate into the law these recommendations.

Respectfully submitted,

JAMES JACKSON, *Chairman.*

WARREN A. MERRILL.

JOHN E. FISH, M.D.

Comparative Financial Statement, as of November 30.

YEAR.	Net Accumulated Deposits.	Yearly Deposits.	Interest credited Members' Accounts. ¹	REFUNDS. ²		Annuities.	AMOUNT EXPENDED.		Expenses of Administration. ³	
				Death.	All Others.		Prior.	Subsequent.		
1912	\$46,430	70	\$47,500	76	\$22,73	\$1,343	21	\$2,29	\$5,082	66
1913	144,271	66	105,458	37	354	54	6,540	04	6,619	37
1914	265,060	87	130,667	73	915	90	13,983	73	7,996	22
1915	385,530	94	139,314	66	2,674	81	189	74	8,999	45
1916	512,240	80	157,684	94	16,342	68	2,644	37	405	93
1917	638,013	12	161,902	50	21,680	12	4,195	44	391	69
1918	745,936	87	176,678	34	26,986	53	5,689	65	42,550	67
1919	909,670	37	227,691	17	30,923	50	10,189	89	83,400	69
1920	1,087,916	28	262,235	04	39,870	06	7,496	90	47,826	94
1921	1,343,677	90	304,107	72	49,168	17	7,282	50	53,082	94
									5,850	16
									66,458	97
									5,850	16
									10,790	65

¹ Includes surplus.² Includes interest accumulations.³ Includes salaries, contingent expenses and reimbursement to State institutions.*Comparative Statement of Membership, as of November 30.*

YEAR.	Admitted during Year.	REFUNDS.		NUMBER RETIRED.			Active.	MEMBERSHIP.		
		Death.	All Others.	Injured while on Duty.	Ordinary.	Voluntary (Age 60 to 70).		Retired.	Net Pensioners.	
1912	181	12	327	-	-	20	25	-	3,121	42
1913	1,522	21	568	-	-	21	8	4,020	3	75
1914	1,630	19	820	-	-	13	7	4,783	5	98
1915	1,686	29	1,017	-	-	2	15	5,399	3	119
1916	1,445	30	1,339	-	-	1	10	5,448	9	138
1917	1,389	33	1,168	-	-	2	20	5,573	9	165
1918	1,360	40	1,446	-	-	2	16	5,365	15	174
1919	1,910	65	1,125	-	-	2	17	1	5,969	9
1920	1,679	38	1,445	-	-	1	15	6,282	15	209
1921	1,752	35	958	-	-	1	25	6,997	12	241

¹ Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age.

Membership, Feb. 1, 1912, 3,241.

Recapitulation of Yearly Pension Cost under Non-contributory and Contributory Pension Systems. (Chapter 32, General Laws.)

BOARD OF RETIREMENT.

[Jan. 1922.]

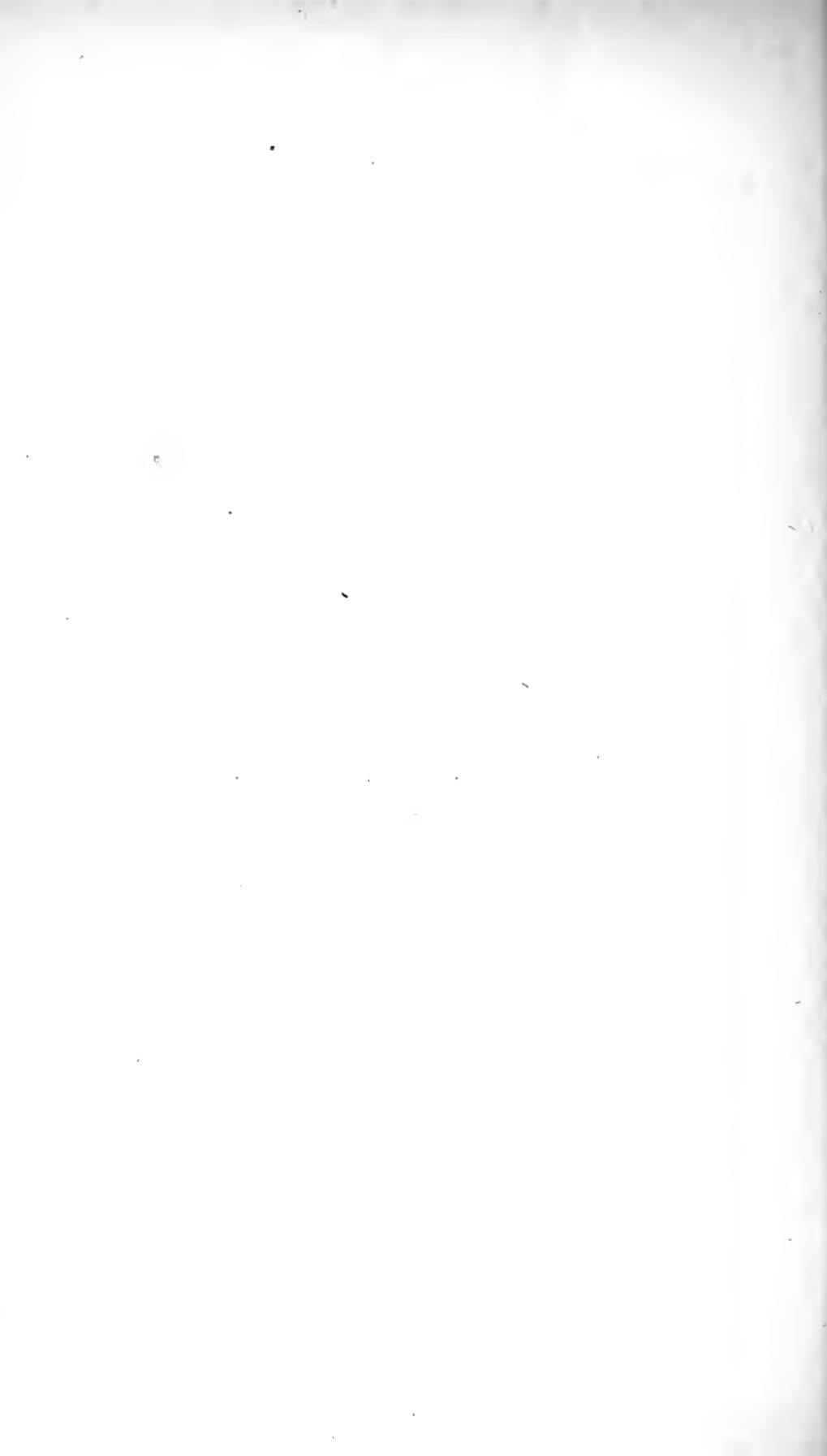
YEAR. ^a	Non-contributory.				Contributory.	
	POLICE.		Retired Women Cleaners (Section 74). (Superintendent of Buildings),			
	Judges (Sections 61 to 67).	Metropolitan Park (Sections 62 to 73).	Prison Officers (Sections 46 to 48).	Veterans, Civil War (Sections 49 to 55).		
1913	\$14,779 44	\$1,738 75	\$750 00	\$7,923 60	\$58,305 54	
1914	19,434 68	1,940 50	750 00	5,709 46	56,755 30	
1915	31,404 72	2,296 25	12,483 56	64,674 33	58,412 74	
1916	35,539 92	2,532 00	1,599 12	14,766 64	56,473 29	
1917	35,610 50	4,598 01	1,213 71	16,100 00	84,912 66	
1918	40,929 44	5,806 21	875 00	17,688 55	65,160 10	
1919	39,062 45	7,872 00	875 00	59,871 84	63,592 01	
1920	49,400 00	9,486 88	1,878 22	58,203 63	108,558 62	
1921	55,812 35	13,385 24	6,613 23	20,425 73	155,537 46	
				22,506 11	158,456 81	
				72,485 42	56,052 47	
					178,109 78	
					63,159 09	
					224,131 90	
					72,341 89	

¹ Reimbursement to cities and towns for the pensions they paid to retired teachers included.² Pension payment began July 1, 1914.
Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.*Comparison of Average Annual Payments to Persons on Retired Lists November 30, under Non-contributory and Contributory Pension Systems.*

YEAR.	Non-contributory.				Contributory.	
	POLICE.		Retired Women Cleaners (Superintendent of Buildings),			
	Judges.	Metropolitan Park.	Department of Public Safety.	Prison Officers.		
1920	\$6,225 00 (8)	\$656 43 (19)	\$1,118 73 (4)	\$156 00 (8)	\$748 13 (93)	
1921	6,975 00 (8)	704 48 (19)	1,150 83 (6)	156 00 (8)	755 10 (31) 762 92 (94)	
					\$985 01 (409) \$493 98 (487)	
					\$333 97 (209) 354 76 (243)	

The figure at the right of each column shows the number of pensioners under each system November 30; under contributory systems the figures represent the amount paid by the State, and the annuities paid from members' contributions.

Public school teachers with fifteen years of service who served prior to July 1, 1914 (five preceding retirement), minimum, \$400. Under State Employees' Act of 1911, minimum of \$200 to all retired prior to Aug. 26, 1920, and \$300 to all retired after said date.



The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1922

DEPARTMENT OF TREASURER AND RECEIVER-GENERAL



PUBLICATION OF THIS DOCUMENT
APPROVED BY THE
COMMISSION ON ADMINISTRATION AND FINANCE

BOSTON
WRIGHT & POTTER PRINTING CO., STATE PRINTERS
32 DERNE STREET

The Commonwealth of Massachusetts

DIVISION OF BOARD OF RETIREMENT,
116 STATE HOUSE, BOSTON, March 17, 1923.

To the Honorable Senate and House of Representatives, State House, Boston, Massachusetts.

GENTLEMEN:—I transmit to you herewith for the use of the legislature the annual report of the Board of Retirement for the fiscal year ending November 30, 1922.

Very truly yours,

JAMES JACKSON,
Chairman.

The Commonwealth of Massachusetts

R E P O R T .

DIVISION OF BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, November 30, 1922.

To the Honorable Senate and House of Representatives.

The eleventh annual report of the Board of Retirement for the year ending November 30, 1922, is herewith presented for your consideration.

The personnel of the Board remained unchanged during the year. In the annual report of the Board for the fiscal year 1921, the attention of the Legislature was requested upon the provisions of the statutes under which deductions could only be made from the compensation paid to members in cash. Nearly all of the members employed in the State institution service are boarded and housed in the institutions and the scale of cash compensation is lower than it would otherwise be. In order to adjust the inequality in the amount of the retirement allowances between those who receive full compensation in cash and those who receive in addition to cash full boarding and housing, the Legislature amended the law so that a nominal value is now provided in the law for the computation of assessments and the retirement allowances of those in the full maintenance group.

The Commonwealth has amended all of the laws which were passed prior to the General Contributory law under which a non-contributory form of pension was provided for certain classes of employees so that now new entrants in such positions have no right to a non-contributory pension. The Legislature has only passed one law for the payment of a non-contributory pension to any preferred class of employees since the General Contributory law was passed. A non-contributory form of pension was provided in 1920 for veterans of the Spanish and World wars. This group of employees have a dual pension right as they may be retired under either the General Contributory law or under the special non-contributory law, just mentioned. A veteran retired under the non-contributory law will waive the other pension and will be paid back all of his contributions with interest in the contributory system. Other than this exception the Commonwealth has firmly maintained and extended the contributory pension principles. A feature, which can scarcely be too much emphasized, is the necessity which the contributory system imposes upon the members to save money.

The contributory law has been in operation since January 1, 1912, approximately eleven years, and the present fund consists of \$1,438,020.63, which has been deducted from the salary or wages of the members, and \$207,209.14, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts on November 30, 1922, amounts to \$1,645,229.77.

The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited an extra dividend of \$1.75 to each \$100 of each account as it stood on September 30, 1921; the total thus credited amounted to \$21,764.11.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the

members' accounts: 1918, $4\frac{2}{5}\%$; 1919, $4\frac{2}{5}\%$; 1920, $4\frac{3}{4}\%$; 1921, $4\frac{3}{4}\%$; 1922, $4\frac{3}{4}\%$. The annuity fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof.

The membership of the Retirement Association when it was first organized was 3,324, and the membership on November 30, 1922, was 7,648. When the contributory law was passed all persons in the service who were not provided with a pension under some non-contributory law were given the option of becoming a member of the association, and thus providing for themselves a pension. They had the option of accepting the pension privilege, and of those who declined to accept the right to a future pension, there appears to be only about 143 now in the service out of an average normal pay roll of about 11,500 employees, who by their own act are not entitled to any pension from the State.

During the year 2,014 new employees have become members of the association and 1,325 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 38 persons during the year, — 12 by reason of reaching the age of seventy, 2 for ordinary permanent disability, and 24 between sixty and seventy years of age upon their own request.

The number of employees who have been granted a retirement allowance since the law became operative June 1, 1912, is 362. Since retirement 95 annuitants and 4 non-members have died, so that retirement allowances are now being paid to 263 former employees. Of this number, 87 were retired at the age of seventy or over; 8 were retired for permanent disability; 2 non-members, who were over fifty-five years of age when the retirement law was passed, were retired upon the request of the departments in which they were employed; and 166 were retired upon their request between sixty and seventy years of age.

Present Ages and Number of Persons who are receiving a Retirement Allowance.

AGE.	Number.	AGE.	Number.	AGE.	Number.
40	-	57	-	74	10
41	-	58	4	75	13
42	-	59	1	76	10
43	1	60	5	77	11
44	-	61	7	78	3
45	-	62	4	79	5
46	-	63	8	80	3
47	1	64	6	81	3
48	-	65	8	82	1
49	-	66	14	83	1
50	-	67	11	84	1
51	1	68	18	85	2
52	1	69	18	86	-
53	1	70	22	87	1
54	2	71	26	88	-
55	2	72	19	89	-
56	1	73	18		

During the year ending November 30, 1922, \$83,599.89 was paid as pensions to persons upon the retired list as compared with \$72,318.13 for the previous year. The largest retirement allowance being paid to an individual is \$1,557.47. The average retirement allowance paid to the persons on the list December 1, 1922, is \$372.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. One payment is now being made under this act.

The accumulated savings refunded to members who left the service were \$84,861.03, and the amount refunded to the heirs or estates of deceased members was \$15,662.35.

The retirement system has 329 members who may voluntarily retire at the age of sixty to seventy during the coming fiscal year; 19 under sixty years of age who have completed thirty-five years of service; and 16 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 7% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$6,094 in addition to \$91,877.03, the amount of pensions in force on November 30, 1922.

The expenses of the administration of the system for the year were: salaries, \$7,465.00; contingent expenses, \$832.02; reimbursement to institutions for making deductions from members' salaries, etc., \$2,640.68. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

RECOMMENDATIONS FOR LEGISLATION.

The Board recommends the following amendments to the State Retirement Act (chapter 32, General Laws, sections 1 to 5, inclusive):—

When a member of the association retires, the contributions from his salary and the interest credited to his account are used to purchase an annuity. The State pays a pension and the sum of the pension and the annuity make the total payment called retirement allowance. The form of annuity selected has no effect on the amount of PENSION which is paid from STATE APPROPRIATIONS.

The two parts of a retirement allowance are paid from different funds, and inasmuch as the annuity is paid from an accumulated sum based upon salary deductions, the member at retirement has a choice of one of TWO annuity options as follows:—

Option A — Full Annuity.

This form of annuity is payable for life, and all payments cease upon death.

Option B — Refund.

The annuity payments under this form are payable for life and are smaller than those provided under Option A, but if the annuitant dies before receiving annuity payments equal to the amount used to purchase the annuity, the difference will be paid to his legal representative. The Option B annuity under the present law may be paid to only the members whose accounts are large enough at the age when they retire to provide such an annuity of \$100 or more.

The Board believes that the amount of the account to purchase the annuity should not prevent a member from electing a form of annuity which may provide something for his estate in case conditions indicate to him that he should make such a choice.

It is important that the election of the refund annuity should not require the State to pay a larger pension on account of the smaller annuity under the refund plan, and that the amount of the total retirement allowance in each case be kept on the basis of equivalents to fill the particular benefits which the member wishes to provide.

SECTION 1. Section five of chapter thirty-two of the General Laws, as amended by sections three and four of chapter three hundred and forty-one of the acts of nineteen hundred and twenty-two, is hereby further amended by striking out paragraph (2) *B* (b) and inserting in place thereof the following:—(b) A life annuity of less amount, payable monthly, with the provision that if the annuitant dies before receiving annuity payments equal to the amount used to purchase the annuity, the difference shall be paid to his legal representatives.

SECTION 2. Said section five, as amended by sections three and four of said chapter three hundred and forty-one, is hereby further amended by striking out paragraph (2) *E* and inserting in place thereof the following:—*E. Minimum and Maximum Payments.*— Except as otherwise provided, in no case shall a member be retired at a rate of pension less than such an amount that the annual pension plus the annual amount which would have been paid from the annuity fund if the member had chosen an annuity computed under 2 *B* (a) of this section shall be three hundred dollars and in no case shall a member be retired with a pension in excess of the amount which added to the annuity to which he would have been entitled if he had chosen the annuity under 2 *B* (a) of this section would provide a total retirement allowance of more than one half the average annual rate of his salary or wages during the five years prior to retirement. The rate of pay received by a member on the date immediately preceding a period of absence without pay shall be used as the rate of pay which he would have received during the absence without pay for the purpose of determining the maximum pension and the maximum annuity under this section.

Respectfully submitted,

JAMES JACKSON, *Chairman.*
WARREN A. MERRILL.
JOHN E. FISH, M.D.

Comparative Financial Statement, as of November 30.

YEAR.	Net Accumulated Deposits.	Yearly Deposits.	Interest credited Members' Accounts. ¹	REFUNDS. ²		Annuities.	AMOUNT EXPENDED.	
				Death.	All Others.		PRIOR.	SUBSEQUENT.
1912	\$46,430.70	\$47,500.76	\$1,227.73	\$22.73	\$1,343.21	\$2.29	\$5,341.42	\$2.29
1913	105,438.37	107,611.66	5,901.06	354.54	6,540.04	72.34	17,503.97	72.34
1914	265,060.87	130,607.73	8,926.22	915.90	13,983.73	189.74	24,728.84	189.74
1915	385,530.94	139,394.66	16,342.68	2,674.81	2,644.37	30.057.30	405.93	30,027.98
1916	512,240.80	157,684.94	21,680.12	4,196.44	49,355.91	39,164.70	802.69	35,870.07
1917	638,013.12	161,902.50	26,088.53	5,689.65	83,400.69	1,393.80	42,550.67	1,393.80
1918	757,986.87	176,678.34	30,923.50	19,819.89	69,785.17	2,064.01	2,064.01	9,074.21
1919	909,670.37	227,661.17	39,870.06	7,496.98	101,888.03	4,171.00	2,969.94	10,899.20
1920	1,087,916.28	262,235.04	49,168.17	7,282.50	69,186.12	5,739.11	66,458.97	11,786.93
1921	1,343,677.90	304,107.72	361,510.91	15,662.35	84,861.03	7,582.20	5,759.16	10,790.65
1922	1,645,229.77	61,103.73					75,908.83	10,387.70

¹ Includes surplus.² Includes interest accumulations.³ Includes salaries, contingent expenses and reimbursement to State institutions.*Comparative Statement of Membership, as of November 30.*

YEAR.	Ad- mitted during Year.	Refunds.	NUMBER RETIRED.			Non- members (Age 60 and Over).	MEMBERSHIP.			
			PERMANENT DIS- ABILITY.		Volun- tary (Age 60 to 70).		RETIR. MORTALITY.			
			Injured while on Duty.	Ordinary.						
1912		181	12	327	-	20	25	-	3,121	
1913	1,522	21	568	-	-	26	8	2	4,020	
1914	1,630	19	820	1,017	3	21	7	-	4,783	
1915	1,686	29	-	-	3	13	8	-	5,399	
1916	1,446	-	1,339	-	2	15	10	1	5,448	
1917	1,389	33	1,168	-	1	20	14	1	5,573	
1918	1,360	40	1,446	-	2	16	6	-	5,365	
1919	1,910	65	1,125	-	2	17	11	1	5,969	
1920	1,679	38	1,445	-	1	15	11	1	6,282	
1921	1,752	35	958	-	1	25	18	-	6,397	
1922	2,014	55	1,270	-	2	24	12	-	7,448	

¹ Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age.

Membership, Feb. 1, 1912, 3,324.

Recapitulation of Pension Cost under Non-contributory and Contributory Pension Systems Fiscal Year ending November 30. (Chapter 32, General Laws.)

80

BOARD OF RETIREMENT.

[Jan. 1923.]

YEAR.	Non-contributory.			Contributory.		
	POLICE.		Retired Women Cleaners (Section 74) (Superintendent of Buildings).	Veterans, Officers (Sections 46 to 48).	VETERANS.	
Judges (Sections 61 to 67).	Metropolitan Park (Sections 62 to 73).					
1913	\$14,779 44	\$1,738 75	\$750 00	\$7,923 60	\$58,305 54	\$17,576 31
1914	19,434 68	1,940 72	750 00	9,709 46	59,755 60	24,918 58
1915	31,404 72	2,296 25	750 00	12,453 56	64,674 33	30,433 91
1916	30,539 92	2,532 00	1,509 12	14,766 64	65,160 10	36,672 76
1917	35,610 50	4,598 01	1,213 71	16,100 00	63,502 01	43,944 47
1918	40,929 44	5,806 21	875 00	17,688 55	59,871 84	49,810 50
1919	39,062 45	7,872 30	875 00	18,203 63	58,370 69	56,052 47
1920	49,400 00	9,486 88	1,248 00	20,425 73	65,662 11	63,159 09
1921	55,812 35	13,385 24	6,613 23	22,506 11	72,485 42	72,341 89
1922	54,438 69	13,280 04	7,905 00	25,086 11	74,612 30	83,559 89

¹ Reimbusement to cities and towns for the pensions they paid to retired teachers included.

² Pension payment began July 1, 1914.
Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

Comparison of Average Annual Payments to Persons on Retired Lists November 30, under Non-contributory and Contributory Pension Systems.

YEAR.	Non-contributory.			Contributory.		
	POLICE.		Retired Women Cleaners (Superintendent of Buildings).	Veterans, Officers.	VETERANS.	
Judges.	Metropolitan Park.	Department of Public Safety.		Civil War.	Spanish and World Wars.	Day School Teachers, as of December 31.
1921	\$6,975 00 (8)	\$1,150 83 (6)	\$156 00 (8)	\$755 10 (31)	\$762 92 (94)	\$493 98 (487)
1922	6,165 00 (10)	1,157 14 (7)	300 00 (8)	809 50 (32)	776 47 (88)	508 38 (558)

The figure at the right of each column shows the number of pensioners under each system November 30; under contributory systems the figures represent the amount paid by the State, and the annuities paid from members' contributions.
Public school teachers with fifteen years of service who served prior to July 1, 1914 (five preceding retirement), minimum, \$400. Under State Employees' Act of 1911, minimum of \$200 to all retired prior to Aug. 26, 1920, and \$300 to all retired after said date.

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1923

DEPARTMENT OF TREASURER AND RECEIVER-GENERAL



MASS.
DOCS.
COLL.

The Commonwealth of Massachusetts

REPORT

DIVISION OF BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, November 30, 1923.

To the Honorable Senate and House of Representatives.

The twelfth annual report of the Board of Retirement for the year ending November 30, 1923, is herewith presented for your consideration.

The personnel of the Board remained unchanged during the year. By chapter 205, 1923, the legislature amended the refund annuity option of the law, as outlined in the recommendations of the Board in the eleventh annual report for the year ending November 30, 1922.

The contributory law has been in operation since January 1, 1912, approximately twelve years, and the present fund consists of \$1,681,011.73, which has been deducted from the salaries or wages of the members, and \$268,431.48 which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts on November 30, 1923, amounts to \$1,949,443.21.

The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited an extra dividend of \$2.00 to each \$100 of each account as it stood on September 30, 1922; the total thus credited amounted to \$30,094.46.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1919, 4 $\frac{1}{2}$ %; 1920, 4 $\frac{3}{4}$ %; 1921, 4 $\frac{1}{4}$ %; 1922, 4 $\frac{3}{4}$ %; 1923, 5%. The annuity Fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof.

The membership of the Retirement Association when it was first organized was 3,324, and the membership on November 30, 1923, was 7,612. When the contributory law was passed all persons in the service who were not provided with a pension under some non-contributory law were given the option of becoming members of the association, and thus providing for themselves a pension. They had the option of accepting the pension privilege, and of those who declined to accept the right to a future pension, there appears to be only about 143 now in the service out of an average normal pay roll of about 11,500 employees, who by their own act are not entitled to any pension from the State.

During the year, 1,616 new employees have become members of the Association and 1,604 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 48 persons during the year, — 19 by reason of reaching the age of seventy, 4 for ordinary permanent disability, 2 with thirty-five or over years of service under age 60, and 23 between sixty and seventy years of age upon their own request. The total of the retiring allowances of the 48 employees retired during the year 1923 is \$22,191.29. Of this amount, \$3,051.88 was annuity derived from the contributions made by the members before retirement and the balance was pension paid from State appropriation.

The following statistics relate to the 48 employees who were retired during the fiscal year 1923.

	Cases.	Average Age at Retirement.	Average Length of Service.	Average Salary Last 5 Years.	Average Annuity.	Average Pension.	Average Retiring Allowance.
Disability cases	4	55	21	\$1,528	\$50 00	\$260	\$310
Retirements at age 60 or over	44	66	26	1,415	65 00	411	476
Total for year	48	66	26	\$1,425	\$64 00	\$400	\$462

The number of employees who have been granted a retirement allowance since the law became operative June 1, 1912, is 410. Since retirement 110 annuitants and 5 non-members have died, so that retirement allowances are now being paid to 295 former employees. Of this number 101 were retired at the age of seventy or over; 12 were retired for permanent disability; 1 non-member who was over fifty-five years of age when the retirement law was passed, was retired upon the request of the department in which he was employed; and 181 were retired upon their request between sixty and seventy years of age.

Present Ages and Number of Persons who are receiving a Retirement Allowance.

AGE.	No.	AGE.	No.	AGE.	No.	AGE.	No.
40 -	53	2 66	10 79				3
41 -	54	2 67	16 80				5
42 -	55	2 68	12 81				2
43 -	56	4 69	21 82				2
44 1	57	2 70	32 83				1
45 -	58	1 71	19 84				1
46 -	59	4 72	26 85				1
47 -	60	4 73	19 86				2
48 1	61	6 74	18 87				-
49 -	62	9 75	9 88				1
50 -	63	6 76	12 89				-
51 -	64	10 77	10				
52 1	65	7 78	11			Total	295

The average age of persons on the retired list is 70.07 years.

During the year ending November 30, 1923, \$98,245.27 was paid as pensions to persons upon the retired list as compared with \$83,599.89 for the previous year. The largest retirement allowance being paid to an individual is \$1,363.00. The average retirement allowance paid to the persons on the list December 1, 1923, is \$382.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. One payment is now being made under this act.

The accumulated savings refunded to members who left the service were \$140,359.66 and the amount refunded to the heirs or estates of deceased members was \$11,624.07.

The retirement system has 318 members who may voluntarily retire at the age of sixty to seventy during the coming fiscal year; 18 under sixty years of age who have completed thirty-five years of service; and 17 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 7% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$5,866.00 in addition to \$103,634.00, the amount of pensions in force on November 30, 1923.

The expenses of the administration of the system for the year were: salaries \$7,790.16; contingent expenses, \$836.92; reimbursement to institutions for making deductions from members' salaries, etc., \$2,932.32. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

Respectfully submitted,

JAMES JACKSON, *Chairman.*
WARREN A. MERRILL.
JOHN E. FISH, M.D.

*Recapitulation of Pension Cost under Non-contributory and Contributory Pension Systems Fiscal Year ending November 30.
(Chapter 32, General Laws.)*

YEAR.	Judges (Sections 61 to 67).	Non-contributory.				Contributory.			
		POLICE.		Retired Women Cleaners (Section 74)	Prison Officers (Sections 46 to 48, Super- intendent of Buildings).	VETERANS.		Teachers, Public Day Schools of Mass. 1 (See- tions 6 to 19 and 32 to 38).	State Em- ployees (Sections 1 to 5 and 32 to 38).
1914	\$1,940 50	\$750 00		\$9,709 46	\$59,755 30			\$18,412 74	\$24,918 58
1915	2,296 72	750 00	-	12,453 56	64,674 33	-		56,473 29	30,433 91
1916	2,532 00	1,599 12	-	14,766 64	65,160 10	-		84,912 66	36,672 76
1917	33,610 50	1,213 71	-	16,100 00	63,562 01	-		108,055 85	43,944 47
1918	4,598 01	875 00	-	17,688 55	59,871 84	-		135,633 91	49,890 50
1919	40,929 44	5,806 21	-	18,203 63	58,370 69	-		159,044 30	56,032 47
1920	39,062 45	7,872 30	875 00	1,248 00	65,652 11	-		178,109 78	63,159 09
1921	49,400 00	9,486 88	1,878 22	1,248 00	20,495 73	-		224,131 90	72,341 80
1922	55,812 36	13,385 24	6,613 23	1,272 00	22,500 11	72,485 42	-	30,670 81	83,599 89
1923	54,338 69	13,280 04	7,905 00	1,676 64	25,086 11	74,612 30	\$750 00	353,349 41	98,245 27
	56,540 00	7,295 00	14,998 44	2,400 00	28,386 18	67,046 94	937 36		

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included.

¹ Reimbursement to cities and towns for the pensions they paid to retired teachers included.

Comparison of Average Annual Payments to Persons on Retired Lists November 30, under Non-contributory and Contributory Pension Systems

YEAR.	Judges.	Non-contributory.				Contributory.			
		Police.	Metropolitan Park.	Department of Public Safety.	Retired Women Cleaners (Superin- tendent of Buildings).	Prison Officers.	Civil War.	VETERANS.	Public Day School Teachers, as of De- cember 31.	State Em- ployees.
1922	\$6,105 00 (10)	\$736 38 (19)	\$1,157 14 (7)	\$300 00 (8)	\$809 50 (32)	\$776 47 (88)	\$750 00 (1)	\$508 38 (558)	\$372 23 (263)
1923	\$6,318 75 (8)	756 80 (21)	1,170 83 (6)	\$300 00 (7)	781 16 (37)	834 23 (79)	850 00 (2)	518 99 (608)	382 28 (296)

The figure at the right of each column shows the number of pensioners under each system November 30; under contributory systems the figures represent the amount paid by the State, and the annuities paid from members' contributions.

Public school teachers with fifteen years of service who served prior to July 1, 1914 (five preceding retirement), minimum, \$400. Under State Employees' Act of 1911, minimum of \$200 to all retired prior to Aug. 26, 1920, and \$300 to all retired after said date.

Comparative Financial Statement, as of November 30.

YEAR.	Net Accumulated Deposits.	Deposits received during Year.	Interest credited Members' Accounts ¹ during Year.	REFUNDS. ²		PAID TO RETIRED MEMBERS.		Expense of Adminis- tration. ³	
				Payments to Estates of Deceased Members.	All Others.	PENSIONS FOR SERVICE.			
				Prior to June 1, 1912.	After June 1, 1912.				
				\$915.90	\$13,983.79	\$188.74	\$24,728.84	\$7,996.22	
1914	\$265,060.87	\$130,667.73	\$5,901.06	2,674.81	23,057.30	405.93	405.93	8,999.45	
1915	385,530.94	139,394.66	8,926.22	2,644.37	39,164.70	802.69	35,970.07	9,725.32	
1916	512,240.80	151,684.94	16,342.68	4,195.44	49,335.91	1,393.80	42,550.67	9,421.15	
1917	638,013.12	161,902.50	21,680.12						
1918	745,986.87	176,678.34	26,088.53	5,689.65	83,400.69	2,064.01	47,826.49	9,074.21	
1919	909,610.37	227,661.17	30,923.50	10,819.89	69,725.17	2,969.94	53,082.53	10,289.20	
1920	1,087,916.28	262,235.04	39,870.06	7,486.99	101,888.03	4,171.00	58,937.94	11,786.33	
1921	1,343,677.90	304,107.72	49,168.17	7,282.50	69,186.12	5,739.11	66,458.97	10,790.65	
1922	1,645,229.77	361,510.91	61,103.73	15,662.35	84,861.03	7,582.20	75,908.83	10,937.70	
1923	1,949,443.21	402,467.11	77,897.77	11,624.07	140,359.66	10,235.23	87,291.50	11,559.40	

¹ Includes surplus.² Includes interest accumulations.³ Includes salaries, contingent expenses and reimbursement to State institutions.

Comparative Statement of Membership, as of November 30.

YEAR.	Members Admitted during Year.	Number to Estates of Deceased Members.	REFUNDS.	PERMANENT DISABILITY.		NUMBER RETIRED.			MEMBERSHIP.			
				PAYMENTS ACCOUNT, INJURIES RECEIVED IN PERFORMANCE OF DUTY.		Ordinary.	VOLUNTARY SERVICE UNDER AGE 60. ²	COMPELLATORY (AGE 60 TO 70).	NON-MEMBERS (AGE 60 AND OVER).	ACTIVE.	DECEASED.	LIVING.
				MEMBERS.	PENDENTS. ¹							
1912				181	12	327	-	-	20	25	-	3,121
1913				1,522	21	568	-	-	26	8	2	4,020
1914				1,630	19	820	-	-	21	7	-	4,783
1915				1,683	29	1,017	-	-	13	8	-	5,399
1916				1,445	30	1,339	-	-	15	10	1	5,448
1917				1,361	33	1,168	-	-	19	14	1	5,573
1918				1,360	40	1,446	-	-	1	16	6	5,423
1919				1,910	65	1,125	-	-	2	1	15	174
1920				1,679	38	1,445	-	-	1	16	11	6,113
1921				1,752	35	958	-	-	1	1	11	6,282
1922				2,014	55	1,270	-	-	2	23	18	6,997
1923				1,616	34	1,570	-	-	2	1	12	7,648
									23	12	16	263
									19	19	16	295

¹ Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, in case of death of parent from injuries received while in performance of duty.

² Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

Membership, Feb. 1, 1912, 3,324.

NOTICE. — All other figures given in this report are on the basis of the State fiscal year ending November thirtieth.

**ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF
THE STATE EMPLOYEES' RETIREMENT SYSTEM OF THE
COMMONWEALTH OF MASSACHUSETTS. CONTRIBUTIONS
BEGAN JUNE 1, 1912.**

STATEMENT FOR THE YEAR ENDING DEC. 31, 1923, MADE TO THE COMMISSIONER OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3, CHAPTER 32, GENERAL LAWS.

INCOME.	
Members' deposits	\$401,600 87
Interest received on investments (less \$4,231.12 accrued interest paid on securities purchased during the year)	83,959 08
Members' deposits used to purchase annuities	\$20,825 18
Interest on same	4,801 01
	<hr/>
Net increase in book value of securities	25,626 19
Securities sold (gain, selling price over cost)	2,187 13
Received from Commonwealth:	3,548 66
For payment of pensions for service prior to June 1, 1912	\$86,395 29
For payment of pensions for service subsequent to June 1, 1912	10,595 75
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	1,778 69
To cover loss in annuity reserve 12-31-22	569 21
	<hr/>
Credited to members' accounts:	99,338 94
Regular interest at 3% comp. semi-annually	\$52,178 64
Extra dividend at 2%	30,092 48
	<hr/>
For reimbursement of State institutions	\$2,932 32
For salaries	7,861 08
For expenses	785 88
	<hr/>
Total income	11,579 28
Balance December 31, 1922	\$713,201 27
	<hr/>
Total	1,775,358 19
	<hr/>
DISBURSEMENTS.	
Deposits refunded, including interest, to members withdrawing from service	\$140,923 79
Deposits refunded, including interest, to representatives of deceased members	11,153 11
Adjustment of refunds	2 91
Members' deposits used to purchase annuities	\$20,825 18
Interest on same	4,801 01
	<hr/>
Payments to retired members:	25,626 19
Pensions paid for service prior to June 1, 1912	\$86,395 29
Pensions paid for service subsequent to June 1, 1912	10,595 75
For payment of minimum pension to employees over age 55 on June 1, 1912, who did not join retirement association	1,778 69
Annuities purchased by members' contributions	10,434 65
	<hr/>
Regular interest and extra dividend credited to members' accounts	109,204 38
Salaries and contingent expenses	82,271 12
Refunds to estates of 2 deceased annuitants who at the time of their retirement elected the refund annuity option	11,579 28
	<hr/>
Total disbursements	945 23
Balance December 31, 1923	\$381,706 01
	<hr/>
Total	2,106,853 45
	<hr/>
LEDGER ASSETS.	
Investments, par value (Schedule A), \$2,116,600; amortized value	\$2,129,683 15
Cash (credit balance)	—22,829 70
	<hr/>
	\$2,106,853 45
NON-LEDGER ASSETS.	
Accrued interest on investments	25,541 41
Deposits receivable from treasurers of institutions, etc.	30,763 81
	<hr/>
Gross assets	\$2,163,158 67

LIABILITIES.

Deposits of members including \$30,763.81 in hand of agents of the Board	. . . . .	\$1,741,369 14
Regular interest and extra dividends credited to members' accounts	. . . . .	294,937 37
Unpaid annuities due Dec. 31, 1923	. . . . .	131 07
Refunds due estates of 2 deceased annuitants who at the time of their retirement elected the refund annuity option	. . . . .	1,157 85
Annuity reserve	. . . . .	\$82,740 33
Annuity reserve surplus	. . . . .	321 28
Surplus (undivided profits)	. . . . .	83,061 61
		42,501 63
Total liabilities	. . . . .	\$2,163,158 67

MEMBERSHIP EXHIBIT.

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December 1923, to the best of our knowledge and belief.

JAMES JACKSON, *Chairman*,
WARREN A. MERRILL,
JOHN E. FISH, M.D., } *Board of Retirement.*

Subscribed and sworn to before me this fifteenth day of February, 1924.

GEORGE B. WILLARD,
Notary Public.

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

Year Ending November 30, 1924

Department of Treasurer and Receiver-General



ASS.
OCS.
COLL.

Publication of this Document
approved by the
Commission on Administration and Finance

The Commonwealth of Massachusetts

REPORT

Division of Board of Retirement,
State House, Boston, November 30, 1924.

To the Honorable Senate and House of Representatives.

The thirteenth annual report of the Board of Retirement for the year ending November 30, 1924, is herewith presented for your consideration.

The personnel of the Board remained unchanged during the year.

The contributory law has been in operation since January 1, 1912, approximately thirteen years, and the present fund consists of \$1,971,536.06, which has been deducted from the salaries or wages of the members, and \$343,000.42, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on November 30, 1924, amounts to \$2,314,536.48.

The annuity reserve for the payment of annuities to members on the retired list December 31, 1924, was \$103,211.44, and the gross assets on said date were \$2,567,712.86. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited an extra dividend of \$2.00 to each \$100 of each account as it stood on September 30, 1923; the total thus credited amounted to \$36,159.50.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1920, 4 $\frac{3}{4}$ %; 1921, 4 $\frac{3}{4}$ %; 1922, 4 $\frac{3}{4}$ %; 1923, 5%; 1924, 5%. The annuity Fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof.

The membership of the Retirement Association when it was first organized was 3324, and the membership on November 30, 1924, was 8273.

During the year, 1971 new employees have become members of the Association and 1259 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 51 persons during the year,—16 by reason of reaching the age of seventy, 4 for ordinary disability, 1 for permanent disability resulting from accidental injury in line of duty, 1 with thirty-five or more years of service under age 60, and 29 between sixty and seventy years of age upon their own request. The total of the retiring allowances of the 51 employees retired during the year 1924 is \$21,351.89. Of this amount, \$3,626.50 was annuity derived from the contributions made by the members before retirement and the balance was pension paid from State appropriation.

The following statistics relate to the 51 employees who were retired during the fiscal year 1924.

	Cases.	Average Age at Retirement.	Average Length of Service.	Average Salary Last 5 Years.	Average Annuity.	Average Pension.	Average Retiring Allowance.
Disability cases .	5	55	20	\$1,339	\$37.00	\$325	\$362
Retirements at age 60 or over .	46	67	25	1,628	75.00	350	447
Total for year .	51	65	25	\$1,492	\$71.00	\$347	\$419

The number of employees who have been granted a retirement allowance since the law became operative June 1, 1912, is 461. Since retirement 127 annuitants and 5 non-members have died, so that retirement allowances are now being paid to 329 former employees. Of this number 114 were retired at the age of seventy or over; 16 were retired for permanent disability either ordinary or accidental; 1 non-member who was over fifty-five years of age when the retire-

ment law was passed, was retired upon the request of the department in which he was employed; and 198 were retired upon their request between sixty and seventy years of age.

Present Ages and Number of Persons who are receiving a Retirement Allowance.

AGE.	No.	AGE.	No.	AGE.	No.	AGE.	No.
40	1	53	1	66	9	79	11
41	-	54	2	67	10	80	3
42	-	55	2	68	18	81	5
43	-	56	3	69	14	82	2
44	-	57	3	70	37	83	2
45	1	58	2	71	30	84	1
46	-	59	5	72	19	85	1
47	-	60	5	73	25	86	1
48	-	61	8	74	17	87	2
49	1	62	6	75	18	88	-
50	-	63	9	76	9	89	1
51	-	64	9	77	12		
52	-	65	15	78	9	Total	329

The average age of persons on the retired list is 67.93 years.

During the year ending November 30, 1924, \$110,348.44 was paid as pensions to persons upon the retired list as compared with \$98,245.27 for the previous year. The largest retirement allowance being paid to an individual is \$1,363.00. The average retirement allowance paid to the persons on the list December 1, 1924 is \$385.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the members' rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. One payment is now being made under this act.

The accumulated savings refunded to members who left the service were \$128,464.12 and the amount refunded to the heirs or estates of deceased members was \$9,906.51.

The retirement system has 357 members who may voluntarily retire at the age of sixty to seventy during the coming fiscal year; 19 under sixty years of age who have completed thirty-five years of service; and 20 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 7% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$7,400. in addition to \$116,952.57, the amount of pensions in force on November 30, 1924.

The expenses of the administration of the system for the year were: Salaries \$8,371.39; contingent expenses, \$683.08; reimbursement to institutions for making deductions from members' salaries, etc., \$2,999.76. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

The Board believes that the State contributory law should allow credit for the service of an employee to a county when immediately prior to entering the service of the State, he was employed by a county where he was provided with a contributory or non-contributory form of county pension law. The Board favors legislation provided the county shall pay the total cost of the pension for the service rendered solely to the county, and in the case where the salary was received in part from the State and in part from the county, that each shall pay the cost of the pension in the same proportion as the salary was paid during the period of employment, and that the amount of pension shall be computed according to the formula provided in the State contributory law.

Respectfully submitted,

JAMES JACKSON, Chairman.
WARREN A. MERRILL.
JOHN E. FISH, M. D.

*Recapitulation of Pension Cost under Non-contributory and Contributory Pension Systems Fiscal Year ending November 30.
(Chapter 32, General Laws.)*

YEAR.	NON-CONTRIBUTORY.		VETERANS.		CONTRIBUTORY.			
	Judges (Sections 61 to 67).	Court Officers and Messen- gers (Section 66).	POLICE.	Retired Women Cleancers (Section 74)	Prison Officers (Sections 46 to 48). (Super- intendent of Buildings).	Veterans, Civil War ³ (Sections 49 to 55).	Spanish and World Wars (Sections 56 to 60).	Teachers, Public Day Schools of Mass. ¹ (Sections 6 to 19 and 32 to 38).
							Retired by: Met. District.	State.
1914 .	\$19,434.68	-	\$ 1,940.50	\$ 750.00	\$ 9,709.46	\$59,755.30	-	\$ 18,412.74 ²
1915 .	33,404.72	-	2,296.25	750.00	12,453.56	64,674.33	-	56,473.29
1916 .	30,539.92	-	2,452.00	1,599.12	14,766.64	65,160.10	-	84,922.66
1917 .	36,610.50	-	4,598.01	1,213.71	16,100.00	53,592.01	-	103,055.85
1918 .	40,929.44	-	5,806.21	875.00	17,688.55	59,871.84	-	125,053.91
1919 .	39,062.45	-	875.00	\$1,156.00	20,203.63	58,370.69	-	159,044.30
1920 .	49,400.00	-	9,486.88	1,878.22	20,425.73	65,652.11	-	56,612.47
1921 .	55,812.35	-	13,385.24	6,113.23	1,272.00	22,506.11	-	178,109.78
1922 .	54,438.69	-	13,280.04	7,950.00	2,676.64	25,086.11	\$ 75.00	63,159.09
1923 .	56,540.00	\$228.39	14,998.44	7,295.00	2,400.00	28,386.18	74,612.94	72,341.89
1924 .	50,550.00	16,018.99	7,024.99	2,088.46	28,189.35	9,937.36	83,539.81	82,539.81
						\$ 936.00	353,374.48	353,374.48
							390,116.19	110,348.44

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included. ¹ Reimbursement to cities and towns for the pensions they paid to retired teachers included. ² Pension payment began July 1, 1914. ³ Includes veterans at Soldiers' Home.

Comparison of Average Annual Payments to Persons on Retired Lists November 30, under Non-contributory and Contributory Pension Systems

YEAR.	NON-CONTRIBUTORY.		VETERANS.				CONTRIBUTORY.	
	Judges.	Court Officers and Messen- gers. ¹	POLICE.	Retired Women Cleancers (Superin- tendent of Buildings).	Prison Officers.	Civil War.	Spanish and World Wars Retired by:	Public Day School Teachers, as of De- cember 31.
			Metro- politan Park.	Depart- ment of Safety.	Met.	District.	Met.	District.
1923 .	\$6,318.75	(8)	\$756.80	\$1,170.83	\$300.00	\$781.16	\$850.00	\$518.99
1924 .	6,318.75	(8)	-	(21) 793.20 (2)	(7) 300.00 (6)	(7) 768.14 (36)	(2) 836.68 (69)	(296) 385.48 (667)

The figure at the right of each column shows the number of pensioners under each system November 30; under contributory systems the figures represent the amount paid by the State, and the annuities paid from members' contributions. Public school teachers with fifteen years of service who served prior to July 1, 1914 (five preceding retirement), minimum, \$400. Under State Employees Act of 1911, minimum of \$200 to all retired prior to Aug. 26, 1920, and \$300 to all retired after said date. ¹ Pensions paid by the State and by the several counties in the same proportion as the salaries were paid at the time of retirement.

Comparative Financial Statement, as of November 30.

YEAR.	Annuity Reserve for Payment of Annuities to Retired Members (Dec. 31.)	Net Accumulated Deposits and Interest.	Deposits received during Year.	Interest credited Members' Accounts during Year. ¹	PAID TO RETIRED MEMBERS.			
					REFUNDS. ²		PENSIONS FOR SERVICE.	
					Payments to Estates of Deceased Members.	All Others.	Annuities.	Prior to June 1, 1912.
1913	\$ 1,042 59	\$ 144,271 66	\$105,438 37	\$ 1,227 73	\$ 354 54	\$ 6,540 04	\$ 72 34	\$ 17,503 97
1914	2,524 89	265,060 87	130,667 73	5,901 06	5,915 90	13,983 79	189 74	24,728 84
1915	4,889 50	385,530 94	139,394 66	8,926 22	2,674 81	23,057 30	405 93	30,027 98
1916	8,602 71	512,240 80	157,684 94	16,342 68	2,644 37	39,164 70	802 69	35,870 07
1917	14,596 19	638,013 12	161,902 50	21,680 12	4,195 44	49,355 91	1,393 80	42,550 67
1918	20,092 37	745,986 87	176,678 34	26,088 53	5,689 65	83,400 69	2,064 01	47,836 49
1919	27,688 53	909,670 37	227,661 17	30,923 50	10,819 89	69,785 17	53,082 53	2,969 94
1920	36,666 25	1,087,916 28	262,235 04	39,870 06	7,496 99	101,888 03	4,171 00	58,937 94
1921	51,825 63	1,343,677 90	304,107 72	49,168 17	7,282 50	69,186 12	5,739 11	4,221 15
1922	67,075 58	1,645,229 77	361,510 91	61,103 73	15,662 35	84,861 03	7,582 20	66,458 97
1923	82,744 33	1,949,443 21	402,467 11	77,897 77	11,624 07	140,359 66	10,937 70	5,859 16
1924	103,211 44	2,314,536 48	443,189 88	93,110 94	9,906 51	128,464 12	12,542 28	7,69 06
								12,054 23
								12,907 50

¹ Includes surplus.² Includes interest accumulations.^a Includes salaries, contingent expenses and reimbursement to State institutions.

Comparative Statement of Membership, as of November 30.

YEAR.	REFUNDS.	RETIRED FOR PERMANENT DISABILITY.			NUMBER RETIRED.			MEMBERSHIP.			
		PAYMENTS RECEIVED IN INJURIES RECEIVED IN PERFORMANCE OF DUTY.		Ordinary.	Non-mem- bers (Age 60 and Over).	Total Retired During Year (Depend- ents) Ex- cluded.	Ac- tive.	RETIRED			
		All Members.	De- ceased. Mem- bers.		De- pend- ents. ¹			De- ceased.	Living.		
1912	181	12	327	-	-	20	25	-	45	3,121	
1913	1,522	21	568	-	-	26	8	2	36	4,020	
1914	1,630	19	820	-	-	21	7	-	28	4,783	
1915	1,686	29	1,017	-	-	13	8	-	24	5,399	
1916	1,445	30	1,339	-	-	15	10	1	33	5,448	
1917	1,361	33	1,163	-	2	1	19	14	1	38	
1918	1,360	40	1,446	-	2	1	16	6	1	5,573	
1919	1,910	65	1,125	-	2	1	16	11	1	5,423	
1920	1,679	38	1,445	-	1	1	15	11	1	31	
1921	1,752	35	953	-	1	2	23	18	1	6,113	
1922	2,014	55	1,270	-	2	1	23	12	-	6,282	
1923	1,616	34	1,570	-	4	2	23	19	-	6,997	
1924	1,971	35	1,224	(1) 1	(1) -	(22) 4	(8) 1	(259) 29	(165) 16	(6) -	44
											8,273
											(132) 17
											329

Membership, Feb. 1, 1912, 3,324.

¹ Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, in case of death of parent from injuries received while in performance of duty. ² Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

NOTICE.—All other figures given in this report are on the basis of the State fiscal year ending November thirtieth.

ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMONWEALTH OF MASSACHUSETTS. CON- TRIAUTIONS BEGAN JUNE 1, 1912.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1924, MADE TO THE COMMISSIONER OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3, CHAPTER 32, GENERAL LAWS.

INCOME.

Members' deposits		\$443,704 72
Interest received on investments (less \$3,843.41 accrued interest paid on securities purchased during the year)		96,382 55
Members' deposits used to purchase annuities	\$25,128 68	
Interest on same	6,555 90	
		<hr/>
Adjustment in book value of securities (amortized values)		31,684 58
Securities sold (gain, selling price over cost)		1,713 15
Received from Commonwealth:		
For payment of pensions for service prior to June 1, 1912	\$96,348 04	
For payment of pensions for service subsequent to June 1, 1912	13,148 31	
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	1,838 60	
To cover loss in annuity reserve 12-31		<hr/>
		111,334 95
Credited to members' accounts:		
Regular interest at 3% comp. semi-annually	\$62,289 12	
Extra dividend at 2%	36,159 50	
		<hr/>
For reimbursement of State institutions	\$2,999 76	98,448 62
For salaries	8,353 70	
For expenses	767 45	
		<hr/>
Total income		12,120 91
Balance December 31, 1923		<hr/>
Total		\$ 795,389 48 2,106,853 45
		<hr/>

DISBURSEMENTS.

Deposits refunded, including interest, to members withdrawing from service		\$127,692 04
Deposits refunded, including interest, to representatives of deceased members		9,804 00
Adjustment of refunds		10 20
Members' deposits used to purchase annuities	\$25,128 68	
Interest on same	6,555 90	
		<hr/>
Payments to retired members:		31,684 58
Pensions paid for service prior to June 1, 1912	\$96,348 04	
Pensions paid for service subsequent to June 1, 1912	13,148 31	
For payment of minimum pension to employees over age 55 on June 1, 1912, who did not join retirement association	1,838 60	
Annuities purchased by members' contributions	12,778 96	
		<hr/>
Regular interest and extra dividend credited to members' accounts		124,113 91
Salaries and contingent expenses		98,448 62
Refunds to estates of 2 deceased annuitants who at the time of their retirement elected the refund annuity option		12,120 91
Adjustment book value of securities (amortized values)		2,745 83
		451 53
Total disbursements		<hr/>
Balance December 31, 1924		\$ 407,071 62 2,495,171 31
Total		<hr/>

LEDGER ASSETS.

Investments, par value \$2,445,475; amortized value		\$2,490,220 50
Cash		4,950 81
		<hr/>

\$2,495,171 31

NON-LEDGER ASSETS.

Accrued interest on investments		34,277 36
Deposits receivable from treasurers of institutions, etc.		36,738 13
Due from Commonwealth, net loss in annuity fund		1,526 06
		<hr/>
Gross assets		\$2,567,712 86

LIABILITIES.

Deposits of members including \$36,738.13 in hand of agents of the Board	\$2,040,122 58
Regular interest and extra dividends credited to members' accounts	375,130 97
Unpaid annuities due Dec. 31, 1924	
Refunds due estates of 2 deceased annuitants who at the time of their retirement elected the refund annuity option	2,095 35
Annuity reserve	\$103,211 44
Annuity reserve surplus	
Surplus (undivided profits)	103,211 44 47,152 52
Total liabilities	\$2,567,712 86

MEMBERSHIP EXHIBIT.

Contributing members:	
Membership December 31, 1923	7,599
Admitted during the year	2,038
	9,637
Members retired	52
Members deceased	34
Members left service	1,242
	1,328
Membership December 31, 1924	8,309
Retired members:	
Members retired December 31, 1923	293
Members retired during year	52
	345
Members deceased	15
Members retired December 31, 1924	330
Non-members:	
To widow or child of deceased member	1
Special Legislative act	1
Under Sec. 5 (2) C (b)	
Total on pension roll, December 31, 1924	333

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1924, to the best of our knowledge and belief.

JOHN E. FISH, M.D., }
WARREN A. MERRILL, } *Board of Retirement.*

Subscribed and sworn to before me this fifteenth day of February, 1925.

FRANCIS B. GARDNER,
Justice of the Peace.

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

Year Ending November 30, 1925

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

The Commonwealth of Massachusetts

REPORT

DIVISION OF BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, NOVEMBER 30, 1925.

To the Honorable Senate and House of Representatives.

The fourteenth annual report of the Board of Retirement for the year ending November 30, 1925, is herewith presented for your consideration.

The contributory law has been in operation since January 1, 1912, approximately fourteen years, and the present fund consists of \$2,249,522.89, which has been deducted from the salaries or wages of the members, and \$428,228.62, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on November 30, 1925, amounts to \$2,677,751.51.

The annuity reserve for the payment of annuities to members on the retired list December 31, 1925, was \$121,120.00, and the gross assets on said date were \$2,939,150.89. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited an extra dividend of \$2.00 to each \$100 of each account as it stood on September 30, 1924; the total thus credited amounted to \$42,619.06.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1921, 4 $\frac{3}{4}$ %; 1922, 4 $\frac{3}{4}$ %; 1923, 5%; 1924, 5%; 1925, 5%. The annuity Fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof.

The contributing members of the Retirement Association when it was first organized was 3,324, and the contributing members on November 30, 1925, was 8,368.

During the year, 1,781 new employees have become members of the Association and 1,651 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 35 persons during the year, 21 by reason of reaching the age of seventy, 4 for ordinary disability, 1 for permanent disability resulting from accidental injury in line of duty, and 9 between sixty and seventy years of age upon their own request. The total of the retiring allowances of the 35 employees retired during the year 1925 is \$17,635.40. Of this amount, \$3,242.06 was annuity derived from the contributions made by the members before retirement and the balance was pension paid from State appropriation.

The following statistics relate to the 35 employees who were retired during the fiscal year 1925:

	Cases	Average Age at Retirement.	Average Length of Service.	Average Salary Last 5 Years.	Average Annuity.	Average Pension.	Average Retiring Allowance.
Disability cases	5	57	21	\$1,445	\$49	\$348	\$397
Retirements at age 60 or over :	30	68	25	1,598	97	362	459
Total for year	35	67	25	\$1,578	\$90	\$360	\$450

The number of employees who have been granted a retirement allowance since the law became operative, June 1, 1912, is 496, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 3. Since retirement 146 annuitants and 5 non-members have died, so that retirement allowances are now being paid to 345 former employees. Of this number 124 were retired at the age of seventy or over; 18 were retired for ordinary permanent disability, and 2 were retired for permanent accidental disability because of such injuries received in the line of duty; 1 non-

member who was over fifty-five years of age when the retirement law was passed, was retired upon the request of the department in which he was employed; and 200 were retired upon their request between sixty and seventy years of age.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the members' rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Three payments are now being made under this act. The largest payment to a widow is \$750.00; the average is \$614.28.

Present Ages and Number of Persons who are receiving a Retirement Allowance.

AGE.	No.	AGE.	No.	AGE.	No.	AGE.	No.
40	-	53	1	66	15	79	7
41	1	54	1	67	11	80	9
42	-	55	3	68	9	81	3
43	-	56	2	69	17	82	4
44	-	57	5	70	30	83	2
45	-	58	3	71	36	84	2
46	1	59	2	72	31	85	2
47	-	60	7	73	17	86	1
48	-	61	6	74	24	87	0
49	-	62	8	75	17	88	1
50	1	63	9	76	16	89	0
51	-	64	10	77	8	90	1
52	-	65	10	78	12	Total	345

The average age of persons on the retired list is 70.46 years.

During the year ending November 30, 1925, \$120,003.93 was paid as pension to persons upon the retired list as compared with \$110,348.44 for the previous year. The largest retirement allowance being paid to an individual is \$1,770.96. The average retirement allowance paid to the persons on the list December 1, 1925, is \$395.00.

The accumulated savings refunded to members who left the service were \$179,155.99, and the amount refunded to the heirs or estates of deceased members was \$19,231.32.

The retirement system has 385 members who may voluntarily retire at the age of sixty to seventy during the coming fiscal year; 22 under sixty years of age who have completed thirty-five years of service; and 21 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 7% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$7,800 in addition to \$119,935.00, the amount of pensions in force on November 30, 1925. The Board has requested an appropriation of \$128,000 to cover the cost of pensions for the year ending November 30, 1926.

The expenses of the administration of the system for the year were: Salaries, \$8,584.28; contingent expenses, \$789.62; reimbursement to institutions for making deductions from members' salaries, etc., \$3,000.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

**AMENDMENTS AND ADDITIONS TO THE RETIREMENT LAW PASSED
BY THE GENERAL COURT DURING THE SESSION OF 1925.**

A new provision was added to the law under Chapter 244, Acts of 1925, so that a contributing member may name a surviving beneficiary who will be paid the sum of the member's deposits with accumulated interest in the Annuity Fund if the member prior to his death files in proper form a beneficiary appointment. The same option is provided for the retired member who at the time of his retirement elected the form of annuity which provided for the payment of the

difference between the amount of his account at the time of his retirement and the sum of the annuity payments received by him up to the date of his death.

The three provisions of the law regarding the payment of the contributions with interest after the death of a member of the Retirement Association are as follows:—

WHEN NO BENEFICIARY HAS BEEN DESIGNATED:

- (1) The account of a member when over \$100.00 must be paid to his executor or administrator.
- (2) The account when under \$100.00 and when there has been no demand upon the Retirement Board by a duly appointed executor or administrator may be paid AFTER THE EXPIRATION OF THREE MONTHS from the date of death of the member to such person or persons as appear in the judgment of the Retirement Board to be entitled thereto, and such payment shall be a bar to recovery by any other person.

PAYMENT TO A BENEFICIARY:

- (3) Any member by a written instrument duly executed by him and FILED with the Retirement Board PRIOR TO HIS DEATH may nominate a beneficiary to receive any sum to which his heirs or legal representatives would otherwise be entitled (under 1 or 2) and payment to such beneficiary shall be a bar to recovery by any other person. A member may change a beneficiary should he later desire to do so, and payment will be made to the last beneficiary appearing in the records of the Retirement Board at the death of such member.

Chapter 244, Acts of 1925, also added another new provision to the law, which allows a member who resigns from the service when he is eligible to retirement the option of taking his accumulated savings in the annuity fund or being retired. In order to obtain his accumulated savings, a member is required to waive and release by a written instrument all of his, his heirs', assigns', legal representatives' or beneficiary's rights in the annuity and pension funds.

A retirement allowance will not be forced upon any employee who does not want to be classed in any way a public pensioner even when only fifty per cent at the most will come from the public treasury, as in most cases the annuity which comes from the member's own savings will ultimately be one-half of the retirement allowance.

Chapter 12, Acts of 1925, amended the law so that an instructor of the blind or a teacher or principal of a state normal school or college where classes are graded or conducted by a school year or term who reaches age seventy may remain until the end of said term or year; except, that any person reaching said age in July, August, or September shall be retired. By this statute the Legislature recognizes the importance of permitting a short extension of service so that an instructor may carry through a course of study and not have his working plan interrupted at a most critical time by his compulsory retirement at age seventy.

Respectfully submitted,

WILLIAM S. YOUNGMAN, *Chairman.*

WARREN A. MERRILL.

JOHN E. FISH, M. D.

Recapitulation of Pension Cost under Non-contributory and Contributory Pension Systems Fiscal Year ending November 30.
(Chapter 32, General Laws.)

YEAR.	Judges (Sections 61 to 67).	Non-contributory.			Contributory.		
		Police		Retired Women Cleaners (Section 74). (Superin- tendent of Buildings).	Prison Officers (Sections 46 to 18).	VETERANS.	Spanish and World Wars (Sections 56 to 60)
		Court Officers and Messem- gers (Section 66).	Metro- politan Park (Sections 69 to 73).	Department of Public Safety (Section 68).	Retired Women Cleaners (Section 74). (Superin- tendent of Buildings).	Retired by: State.	Retired by: Met. District.
1915	\$31,404 72	-	\$2,296 25	\$750 00	\$12,453 56	\$64,674 33	\$56,473 29
1916	30,530 92	-	2,532 00	1,599 12	14,766 64	65,160 10	30,433 91
1917	35,610 50	-	4,598 01	1,213 71	16,100 00	63,582 01	36,672 76
1918	40,920 44	-	3,806 21	875 00	17,688 55	59,871 84	43,944 47
1919	39,002 45	-	3,872 30	-	18,203 63	58,370 47	49,890 50
1920	49,400 00	-	9,486 88	1,878 22	1,248 00	20,425 73	36,052 47
1921	55,812 35	-	13,385 24	6,613 23	1,272 00	22,506 11	63,159 09
1922	56,438 69	-	13,280 04	7,905 00	1,676 64	25,086 11	72,341 89
1923	56,540 00	-	14,908 44	2,400 00	2,400 00	28,386 18	30,167 81
1924	50,550 00	\$228 39	16,018 99	7,024 99	2,088 46	28,189 35	82,894 89
1925	52,237 66	464 00	20,906 30	8,285 00	1,671 41	27,583 67	98,245 27

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included. ¹ Reimbursement to cities and towns for the pensions they paid to retired teachers included. ² Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, in case of death of parent from injuries received while in performance of duty included.

Comparison of Average Annual Payments to Persons on Retired Lists November 30, under Non-contributory and Contributory Pension Systems

YEAR.	Judges.	Non-contributory.			Contributory.		
		Police		Retired Women Cleaners (Superin- tendent of Buildings).	Prison Officers.	VETERANS	
		Court Officers and Messem- gers. ¹	Metro- politan Park.	Department of Public Safety.	Civil War.	Retired by: State.	Spanish and World Wars (Sections 56 to 60)
1924	\$6,318 75	\$232 00	\$793 20	\$1,170 83	\$300 00	\$849 68	\$536 48
	(8) 19	(2) 22	(23) 12	(6) 57	(6) 300	(69) 65	(667) 555
1925	6,113 19	(9)	(30)	1,183 57	(5) (7)	900 00	395 47
						(4)	(345) (1)

The figure at the right of each column shows the number of pensioners under each system November 30; under contributory systems the figures represent *the amount paid by the State*, plus the annuities paid from members' contributions. Public school teachers with fifteen years of service who served prior to July 1, 1914 (five preceding retirement), minimum, \$400. Under State Employees' Act of 1911, minimum of \$200 to all retired prior to Aug. 26, 1920, and \$300 to all retired after said date. ¹ Pensions paid by the State and by the several counties in the same proportion as the salaries were paid at the time of retirement.

Comparative Financial Statement, as of November 30

YEAR.	Annuity Reserve for Payment of Annuities to Retired Members (Dec. 31).	Net Accumulated Deposits and Interest.	Deposits received during Year.	REFUNDS. ²		PAID TO RETIRED MEMBERS.	
				Interest credited Members' Accounts during Year. ¹	Payments to Estates of Deceased Members	PENSIONS FOR SERVICE.	
						Prior to June 1, 1912.	After June 1, 1912.
1913	\$1,042 59	\$144,271 66	\$105,438 37	\$1,227 73	\$3,54 54	\$17,503 97	\$72 34
1914	2,524 89	265,060 87	130,667 73	5,901 06	915 90	13,983 79	189 74
1915	4,889 50	385,530 94	139,394 66	8,926 22	2,674 81	23,027 30	405 93
1916	8,602 71	512,240 80	157,684 94	16,342 68	2,644 37	39,164 70	802 69
1917	14,396 19	638,013 12	161,902 50	21,680 12	4,195 44	49,355 91	1,393 80
1918	20,092 37	745,986 87	176,678 34	26,088 53	5,089 65	53,400 69	2,064 01
1919	27,688 53	909,670 37	227,661 17	30,923 50	10,819 89	69,785 17	2,969 94
1920	36,666 25	1,087,916 28	262,235 04	39,870 06	7,496 99	101,888 03	53,082 53
1921	51,825 63	1,343,677 90	304,107 72	49,168 17	7,282 50	4,171 00	4,221 15
1922	67,075 58	1,645,229 77	361,510 91	61,103 73	15,662 35	5,739 11	5,859 16
1923	82,740 33	1,949,443 21	402,467 11	77,897 77	11,624 07	7,382 20	7,691 06
1924	103,211 44	2,314,536 48	443,189 88	93,110 94	9,906 51	12,542 28	10,384 23
1925	121,120 00	2,677,751 51	474,738 38	110,516 70	19,231 32	179,155 99	86,872 50

¹ Includes surplus.

² Includes interest accumulations.

³ One-half salary at time of injury to member or in case of death to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, in case of death of parent from injuries received while in performance of duty.

Comparative Statement of Membership, as of November 30.

YEAR.	REFUNDS.		RETIRING FOR PERMANENT DISABILITY.		NUMBER RETIRED		MEMBERSHIP		
	Members Admitted during Year.	Number to Estates of Deceased Members.	PAYMENTS ACCOUNT INJURIES RECEIVED IN PERFORMANCE OF DUTY.		Ordinary.	Non-members (Age 60 and Over).	Total Retired During Year (Dependents) Excluded.	Active.	Deceased.
			All Others.	Mem bers.					
1912	181	12	327	-	-	20	25	-	45
1913	1,522	21	568	-	-	26	8	36	42
1914	1,630	19	820	-	-	21	7	28	75
1915	1,686	29	1,017	-	3	13	8	24	56
1916	1,445	30	1,339	-	2	15	10	1	28
1917	1,361	33	1,168	-	1	19	14	1	54
1918	1,360	40	1,446	-	2	16	6	24	57
1919	1,910	65	1,125	-	2	16	11	1	24
1920	1,679	38	1,445	-	1	16	11	31	17
1921	1,752	35	958	-	1	23	11	1	13
1922	2,014	55	1,270	-	2	23	12	38	46
1923	1,616	34	1,570	-	4	23	19	48	56
1924	1,971	35	1,224	1	(2) 1	(8) -	(26) 9	16	51
1925	1,781	40	1,611	(26) 4	(3) 2	(26) 4	(186) 9	(6) -	(496) 35

Membership, Feb. 1, 1912, 3,324.

¹ Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, in case of death of parent from injuries received while in performance of duty. ² Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

NOTICE.—All other figures given in this report are on the basis of the State fiscal year ending November thirtieth.

**ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS
OF THE STATE EMPLOYEES' RETIREMENT SYSTEM
OF THE COMMONWEALTH OF MASSACHUSETTS. CONTRIBU-
TIONS BEGAN JUNE 1, 1912.**

**STATEMENT FOR THE YEAR ENDING DEC. 31, 1925, MADE TO THE COMMISSIONER
OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5,
SECTION 3, CHAPTER 32, GENERAL LAWS.**

INCOME

Members' deposits	\$474,821 44
Interest received on investments (less \$5,311.14 accrued interest paid on securities purchased during the year)	118,341 56
Members' deposits used to purchase annuities	\$21,380 10
Interest on same	6,340 55
	<u>27,720 65</u>
Adjustment in book value of securities (amortized values)	
Securities sold (gain, selling price over cost)	51 53
Received from Commonwealth:	
For payment of pensions for service prior to June 1, 1912	\$99,317 69
For payment of pensions for service subsequent to June 1, 1912	15,658 51
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00
For payment of pensions to members retired for permanent accidental injuries	1,039 48
For payments to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	2,058 63
Under special legislative acts	800 00
	<u>119,074 31</u>
To cover loss in annuity reserve 12-31-24	1,663 90
Credited to members' accounts:	
Regular interest at 3% comp. semi-annually	\$72,777 12
Extra dividend at 2%	42,619 06
	<u>115,396 18</u>
For reimbursement of State institutions	\$3,000 00
For salaries	8,463 55
For expenses	786 62
	<u>12,250 17</u>
Total income	\$869,319 74
Balance December 31, 1924	2,495,171 31
Total.	<u>\$3,364,491 05</u>

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$191,446 16
Deposits refunded, including interest, to representatives of deceased members	19,888 83
Adjustment of refunds	5 20
Members' deposits used to purchase annuities	\$21,380 10
Interest on same	6,340 55
	<u>27,720 65</u>
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment	119,074 31
Annuities paid to members from their contributions	15,337 06
Regular interest and extra dividend credited to members' accounts	115,396 18
Salaries and contingent expenses	12,250 17
Refunds to estates of 3 deceased annuitants who at the time of their retirement elected the refund annuity option	3,299 23
Adjustment book value of securities (amortized values)	1,780 32
Total disbursements	\$506,198 11
Balance December 31, 1925	2,858,292 94
Total.	<u>\$3,364,491 05</u>

LEDGER ASSETS.

Investments, par value \$2,791,550; amortized value	\$2,866,870 16
Cash (credit balance)	8,577 22

\$2,858,292 94

NON-LEDGER ASSETS.

Accrued interest on investments	\$38,075 14
Deposits receivable from treasurers of institutions, etc.	39,916 64
Due from Commonwealth, net loss in annuity fund	2,866 17
Gross assets	<u>\$2,939,150 89</u>

LIABILITIES.

Deposits of members including \$39,916.64 in hand of agents of the Board	\$2,307,190 99
Regular interest and extra dividends credited to members' accounts	462,386 80
Unpaid annuities due Dec. 31, 1925	3 22
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	\$121,120 00
Annuity reserve	121,120 00
Annuity reserve surplus	48,449 88
Surplus (undivided profits)	
Total liabilities	\$2,939,150 89

MEMBERSHIP EXHIBIT

Contributing members:	
Membership December 31, 1924	8,309
Admitted during the year	1,754
	10,063
Members retired	36
Members deceased	43
Members left service	1,611
	1,690
Membership December 31, 1925	8,373
Retired members:	
Members retired December 31, 1924	330
Members retired during year:—	
Between 60-70 years age	10
At age 70	21
With 35 years' service under age 60	—
Ordinary disability	4
Accidental disability	1
	36
Retired members who died during year	22
Members retired December 31, 1925	344
Non-members:	
To widow or child of deceased member	3
Special Legislative act	1
Under Sec. 5 (2) C (b)	1
	5
Total on pension roll, December 31, 1925	349

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1925, to the best of our knowledge and belief.

WILLIAM S. YOUNGMAN }
WARREN A. MERRILL, } *Board of Retirement.*

Subscribed and sworn to before me this fifteenth day of February, 1926.

KARL H. OLIVER,
Notary Public.

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

Year Ending November 30, 1926

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

Publication of this Document approved by the Commission on Administration and Finance

The Commonwealth of Massachusetts

REPORT

Division of Board of Retirement,
State House, Boston, December 31, 1926.

To the Honorable Senate and House of Representatives.

The fifteenth annual report of the Board of Retirement is herewith presented for your consideration.

The contributory law has been in operation since January 1, 1912, approximately fifteen years, and the present fund consists of \$2,608,522.38, which has been deducted from the salaries or wages of the members, and \$557,985.68 which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on December 31, 1926 amounts to \$3,166,508.06.

The annuity reserve for the payment of annuities to members on the retired list December 31, 1926 was \$135,742.00, and the gross assets on said date were \$3,354,894.11. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited an extra dividend of \$1.75 to each \$100 of each account as it stood on September 30, 1925. The total thus credited amounted to \$43,165.65.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1922, 4 $\frac{3}{4}$ %; 1923, 5%; 1924, 5%; 1925, 5%; 1926, 4 $\frac{3}{4}$ %. The annuity fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof. The accumulated savings refunded to members who left the service were \$207,183.07, and the amount refunded to the heirs or estates of deceased members was \$34,866.53.

The contributing members of the Retirement Association when it was first organized were 3,324, and the contributing members on November 30, 1926, were 8,693.

During the year ending November 30, 1926, 1867 new employees have become members of the Association and 1,507 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 37 persons during the year, 17 by reason of reaching the age of seventy, 3 for ordinary disability, 2 for permanent disability resulting from accidental injury in line of duty, 1 under age sixty who had completed thirty-five years of service retired voluntarily, and 14 between sixty and seventy years of age upon their request. The total of the retiring allowances of the 37 employees retired during the year ending November 30, 1926 is \$19,846.40. Of this amount, \$3,865.10 was annuity derived from the contributions made by the members before retirement and the balance was pension paid from State appropriation.

The following statistics relate to the 37 employees who were retired during the year November 30, 1926.

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability Ordinary . . .	3	54	24.75	\$1045.	\$28.07	\$267.45	\$295.52
Accidental . . .	2	62	13.00	1492.	51.70	605.05	656.75
Retirements at age 60 or over	32	68.18	24.18	1766.	116.95	443.14	560.09
Total for year . . .	37	66.45	22.68	\$1680.	\$104.47	\$431.92	\$536.39

The number of employees who have been granted a retirement allowance since the law became operative, June 1, 1912, is 532, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 3. Since retirement 178 annuitants and 5 non-members have died, so that retirement allowances are now being paid to 349 former employees. Of this number 123 were retired at the age of seventy or over; 186 were retired upon their request between sixty and seventy years of age; 12 were retired with 35 years of service under age sixty; 4 were wives retired at time of retirement of husbands; 19 were retired for

ordinary permanent disability, and 4 were retired for permanent accidental disability because of such injuries received in the line of duty; 1 non-member who was over fifty-five years of age when the retirement law was passed, was retired upon the request of the department in which he was employed.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the members' rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Three payments are now being made under this act. The largest payment to a widow is \$750.00; the average is \$614.28.

Present Ages and Number of Persons who are receiving a Retirement Allowance.

Age	No.	Age	No.	Age	No.	Age	No.
40	-	53	-	66	13	79	7
41	-	54	2	67	17	80	7
42	1	55	1	68	12	81	7
43	-	56	4	69	12	82	3
44	-	57	4	70	33	83	3
45	-	58	5	71	28	84	2
46	-	59	3	72	32	85	1
47	1	60	2	73	25	86	2
48	-	61	7	74	16	87	1
49	-	62	6	75	24	88	-
50	-	63	8	76	14	89	1
51	2	64	9	77	14	90	-
52	-	65	11	78	8	91	1
						Total	349

The average age of persons on the retired list is 70.46 years.

During the year ending November 30, 1926, \$128,330.75 was paid as pensions to persons upon the retired list as compared with \$120,003.93 for the previous year. The largest retirement allowance being paid to an individual is \$1,960.74. The annuity from the savings of the retired member is \$207.16 and the pension paid by the State is \$1,753.58. The average retirement allowance paid to the persons on the list November 30, 1926, is \$413.97.

The retirement system has 389 members who may voluntarily retire at the age of sixty to seventy during the coming fiscal year; 20 under sixty years of age who have completed thirty-five years of service; and 21 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 7% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$6,200 in addition to \$132,800.00, the amount of pensions in force on November 30, 1926. The Board has requested an appropriation of \$139,000 to cover the cost of pensions for the year ending November 30, 1927.

The expenses of the administration of the system for the year were: Salaries, \$8,998.15; contingent expenses, \$649.08; reimbursement to institutions for making deductions from members' salaries, etc., \$3,000.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

AMENDMENT TO THE RETIREMENT LAW PASSED BY THE GENERAL COURT DURING THE SESSION OF 1926.

Under Chapter 300, Acts of the year 1926 a member who has at some time contributed 3% of his salary or wages and who has changed or shall change to the 5% basis of contribution may make up the amount due to make his account equal to the sum which 5% contributions would have amounted to for the period during which he contributed 3% of his salary or wages.

The law provides for the payment of the amount due as follows:

- (1) (a) Members under sixty years of age may pay the amount in one sum or, (b) may pay the amount by installments, but all installments must be paid within five years or before the member reaches age sixty.
- (2) Members over sixty must pay the amount due in one sum.

At the time of retirement a member who pays the sum will have the pensions for all of his service plus the annuity figured on what 5% contributions will provide in a retirement allowance. All of the service includes the service during which actual contributions were made to the Annuity Fund and also the service prior to June first, nineteen hundred and twelve, where the pension under paragraph (2) C (b) sec. 5, Chapter 32, General Laws, is figured on assumed contributions from the salary received.

RECOMMENDATION.

Members of the Retirement Association for employees of the Commonwealth are required by law to contribute a per cent of their salary or wages at the time of each payment. These contributions are kept by the State in an Annuity Fund and invested in securities legal for the investment of the sinking funds of the Commonwealth. The income from the investment of the Annuity Fund is credited as interest to the members' accounts compounded semi-annually on June 30th and December 31st. "Regular interest," as defined in the law, will not permit the Board to pay to a member who leaves the State service between compound interest dates any additional interest for the period from the previous compound interest date to the time of termination of service; nor will it allow his account to remain in the fund until after the succeeding compound interest date in order not to suffer loss of interest. The estate of a deceased member who died while in the service will not receive any additional interest for the period of service subsequent to the last compound interest date even though the law in certain instances requires that payment of the accounts shall not be made until three months from the date of death of the member. The Board of Retirement recommends that the law be amended so that interest may be computed on the amount of a member's account at the last compound interest date from said date to the first day of the month in which service ended in the case of retirement or refund, or to the first day of the month in which payment is made in the case of death while in the service.

Respectfully submitted,

WILLIAM S. YOUNGMAN, *Chairman.*
WARREN A. MERRILL.
JOHN E. FISH.

**Recapitulation of Pension Cost under Non-contributory and Contributory Pension Systems Fiscal Year ending November 30.
(Chapter 32, General Laws.)**

YEAR	Judges (Sections 61 to 67)	Non-contributory				Contributory			
		Police		Retired Women Cleaners (Section 74) (Superintendent of Buildings)		Veterans, Civil War (Sections 49 to 55)		Teachers, Public Day Schools of Mass., 1 to 5 and 32 to 38)	
		Metro- politan Park (Sections 69 to 73)	Depart- ment of Public Safety (Section 68)	\$2,296 25	\$750 00	\$12,453 56	\$64,674 33	Spanish and World Wars (Sections 56 to 60)	Retired by: Met. District
1915	\$31,404 72	-	\$2,296 25	\$750 00	\$1,476 64	\$65,160 10	-	\$30,433 91	
1916	30,539 50	-	2,532 00	1,599 12	-	63,592 01	-	36,672 76	
1917	35,610 50	-	4,508 01	1,213 71	-	59,871 84	-	43,944 47	
1918	40,929 44	-	5,806 21	875 00	\$1,156 00	58,370 69	-	13,053 91	49,890 50
1919	39,062 45	-	7,872 30	875 00	18,203 63	65,052 11	-	159,044 30	56,052 47
1920	49,400 00	-	9,386 88	1,878 22	1,248 00	20,425 73	72,485 42	178,109 78	63,159 00
1921	55,812 35	-	13,385 74	6,613 23	1,272 00	22,506 11	-	124,131 90	72,341 89
1922	54,438 69	-	13,280 04	7,905 00	1,676 64	25,086 11	74,612 30	-	301,602 81
1923	56,540 00	-	14,998 44	7,295 00	2,400 00	67,016 94	937 36	83,599 89	98,245 27
1924	50,550 00	\$228 39	16,018 99	7,024 99	2,088 46	28,189 18	1,700 00	353,227 48	110,348 44
1925	52,257 66	464 00	20,606 30	8,285 00	1,671 41	27,533 61	57,211 51	389,898 04	2,871 68
1926	50,324 20	464 00	25,393 19	7,030 33	1,500 00	29,050 41	4,350 00	120,003 93	518,002 61

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included. Under contributory system the figures represent only the amount paid to retired teachers included. Payment to widow during widowhood, or if no widow, for the benefit of child or children while under sixteen years of age, in case of death of parent from injuries received while in performance of duty included.

Comparison of Average Annual Payments to Persons on Retired Lists November 30, under Non-contributory and Contributory Pension Systems

YEAR	Non-contributory				Contributory			
	Police		Retired Women Cleaners (Superintendent of Buildings)		Veterans, Civil War		Teachers, Public Day Schools of Mass., 1 to 5 and 32 to 38)	
	Metro- politan Park	Depart- ment of Public Safety	Prison Officers	State	Spanish and World Wars (Sections 56 to 60)	Retired by: Met. District	Members	Depend- ents
1925	6,113 (9)	232 (2)	886 (30)	1,183 (7)	300 (5)	753 (38)	865 (4)	936 (1)
1926	6,101 (10)	232 (2)	869 (51)	1,165 (27)	300 (5)	766 (39)	85 (5)	936 (1)

A figure in parentheses in any column shows the number of pensioners under each system November 30; under contributory systems the figures represent the amount paid by the State, plus the annuities paid from members' contributions. Public school teachers with fifteen years of service who served prior to July 1, 1914 (five preceding retirement), minimum, \$400. Under State Employees' Act of 1911, minimum of \$200 to all retired prior to Aug. 26, 1920, and \$300 to all retired after said date. Pensions paid by the State and by the several counties in the same proportion as the salaries were paid at the time of retirement.

Comparative Financial Statement as of December 31st.

YEAR	Deposits Received During the Year	Interest and Surplus Credited, Members' Accounts During the Year		Refunds of Deposits and Interest		ANNUITIES		Contributing Members		Rate of Surplus Credited to Members' Accounts
		To Estates or the Beneficiaries of Deceased Members	To Members Who Left the Service	Deposits and Interest of Members Retired During Year	Paid During Year to Retired Members	Net Deposits	Net Interest	Reserve for Payment of Annuities to Retired Members		
1912	\$54,737 11	\$278 74	\$22 73	\$1,352 23	\$149 60	\$3 67	\$53,212 55	\$278 74	\$149 53	\$53,831 61
1913	108,255 86	2,630 88	354 54	6,966 58	926 65	81 79	153,296 68	2,833 58	1,042 59	139,122 78
1914	132,142 37	7,587 34	1,101 92	15,213 21	1,626 71	204 98	267,786 14	10,075 86	2,524 89	232,380 79
1915	140,750 10	10,681 48	2,541 65	23,911 50	2,588 71	430 12	380,253 02	19,799 34	4,889 50	410,455 26
1916	151,663 02	18,196 52	2,819 27	40,319 47	4,803 73	846 24	485,933 61	35,890 02	8,602 71	539,954 50
1917	169,200 46	23,370 72	4,532 00	50,834 19	6,857 23	1,450 64	596,946 60	55,511 06	14,596 19	687,823 90
1918	176,071 58	27,648 72	6,575 11	83,334 85	7,407 79	2,124 26	682,637 94	76,222 27	20,092 37	806,261 36
1919	224,562 91	32,993 48	9,513 08	69,674 41	9,874 14	3,058 87	825,887 84	101,467 13	27,688 53	988,821 53
1920	272,480 80	42,465 44	7,496 99	99,219 03	12,248 85	4,272 91	989,814 74	133,521 60	36,666 25	1,200,076 44
1921	308,478 58	52,898 43	7,356 19	70,122 22	19,834 13	5,900 20	1,210,591 20	176,809 61	51,825 63	1,489,063 57
1922	308,478 58	52,898 43	7,356 19	70,122 22	19,834 13	5,900 20	1,210,591 20	176,809 61	51,825 63	1,489,063 57
1923	367,408 79	65,325 45	16,162 12	87,389 89	20,299 24	7,744 97	1,466,713 45	229,570 35	67,075 58	1,827,095 86
1924	404,690 87	82,271 12	11,153 11	140,933 19	25,626 19	10,434 65	1,710,605 33	294,937 37	82,740 33	2,163,158 67
1925	443,704 72	98,448 62	9,804 00	127,692 04	31,684 58	12,778 96	2,003,384 45	375,130 87	103,211 44	2,567,712 86
1926	474,821 44	115,396 18	19,888 83	191,446 16	27,720 65	15,337 06	2,267,274 35	462,386 80	121,120 00	2,939,150 89
	510,791 24	126,421 55	34,866 53	207,183 07	31,281 36	17,920 64	2,608,522 38	557,985 68	135,742 00	3,354,894 11

"Regular Interest" interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months periods only." Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of said year and is figured on the accumulation of the account on the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i.e., 1926, 3 + 1.3-4 = 4.3-4%.

Comparative Statement of Membership, as of November 30.

YEAR	Members Admitted during Year	REFUNDS Number to Estates of Deceased Members	REFUNDS		RETIRED FOR PERMANENT DISABILITY		NUMBER RETIRED			MEMBERSHIP			
			Payments account in performance of duty		Ordinary		35 or More Years Service Under Age 60 ¹	Voluntary (age 60 to 70)	Compulsory (age 70)	Retirement with Spouse	Non-members (Age 60 and Over)	Total Retired During Year (Dependents Excluded)	
			Members	Dependents	Members	Dependents	-	-	-	Wife	Husband	-	
1912	181	12	327	-	-	-	20	25	-	-	-	3,121	
1913	1,522	21	568	-	1	-	26	8	-	2	45	4,020	
1914	1,630	19	820	-	1	-	21	6	-	-	36	4,783	
1915	1,686	29	1,017	-	3	-	13	8	-	-	24	5,399	
1916	1,445	30	1,339	-	2	-	15	10	-	1	28	5,448	
1917	1,361	33	1,168	-	1	1	18	14	1	1	36	5,573	
1918	1,360	40	1,446	-	1	3	14	6	1	-	24	5,423	
1919	1,910	65	1,125	-	1	2	15	11	1	1	31	6,113	
1920	1,679	38	1,445	-	1	1	14	10	1	-	28	6,282	
1921	1,752	35	958	-	1	1	3	22	18	-	44	6,997	
1922	2,014	55	1,270	-	2	1	2	22	12	-	37	7,649	
1923	1,616	34	1,570	-	1	4	3	22	19	-	48	7,613	
1924	1,971	35	1,224	1	1	4	2	28	16	-	51	8,274	
1925	1,781	40	1,610	1	2	4	-	21	-	-	51	8,370	
1926	1,867	57	1,450	(4)	2	(3)	(31)	3	(13) 1	(273) 14	(201) 17	(6) -	(532) 35
													(183) 30
													3,449
													3

Membership, Feb. 1, 1912, 3,324.

¹ Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, in case of death of parent from injuries received while in performance of duty.
² Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

Notice.—The figures given in this statement are on the basis of the year ending December thirty-first.

ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMONWEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE 1, 1912.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1926, MADE TO THE COMMISSIONER OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3, CHAPTER 32, GENERAL LAWS.

INCOME

Members' deposits	\$510,791 24
Interest received on investments (less \$5,792.68) accrued interest paid on securities purchased during the year)	132,980 29
Members' deposits used to purchase annuities	\$23,867 72
Interest on same	7,413 64
	<hr/>
Adjustment in book value of securities (amortized values)	31,281 36
Securities sold (gain, selling price over cost)	7 34
Recovered from Commonwealth:	
For payment of pensions for service prior to June 1, 1912	\$101,929 65
For payment of pensions for service subsequent to June 1, 1912	18,371 89
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00
For payment of pensions to members retired for permanent accidental injuries	2,341 46
For payments to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	1,842 85
Under special legislative acts	1,219 96
	<hr/>
To cover loss in annuity reserve 12-31-25	125,905 81
Credited to members' accounts:	2,806 27
Regular interest at 3% comp. semi-annually	\$83,255 90
Extra dividend at 1 3-4%	43,165 65
	<hr/>
For reimbursement of State institutions	\$3,000 00
For salaries	9,015 33
For expenses	715 96
	<hr/>
Adjustment of refunds	12,731 29
	04
Total income	\$942,925 19
Balance December 31, 1925	2,858,292 94
	<hr/>
Total	\$3,801,218 13

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$172,316 54
Deposits refunded, including interest, to representatives of deceased members	34,866 53
Adjustment of refunds	
Members' deposits used to purchase annuities	\$23,867 72
Interest on same	7,413 64
	<hr/>
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment	31,281 36
Annuities paid to members from their contributions	125,905 81
Regular interest and extra dividend credited to members' accounts	17,920 64
Salaries and contingent expenses	126,421 55
Refunds to estates of 3 deceased annuitants who at the time of their retirement elected the refund annuity option	12,731 29
Adjustment book value of securities (amortized values)	2,145 53
Deposits, Normal School to teachers' retirement board	2,821 38
	<hr/>
Total disbursements	1,794 60
Balance December 31, 1926	\$528,205 23
	3,273,012 90
Total	<hr/>
	\$3,801,218 13

LEDGER ASSETS.

Investments, par value \$3,180,650; amortized value	\$3,277,718 61
Cash (credit balance)	4,705 71
	<hr/>
	\$3,273,012 90

NON-LEDGER ASSETS.

Accrued interest on investments	\$41,988 06
Deposits receivable from treasurers of institutions, etc.	39,893 15
Due from Commonwealth, net loss in annuity fund	
	<hr/>
Gross assets	\$3,354,894 11

LIABILITIES.

Deposits of members including \$39,893.15 in hand of agents of the Board	\$2,608,522	38
Regular interest and extra dividends credited to members' accounts	557,985	68
Unpaid annuities due Dec. 31, 1926	7	23
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	417	50
Annuity reserve	\$135,742	00
Annuity reserve surplus	713	43
Surplus (undivided profits)	136,455	43
	51,505	89
Total liabilities	\$3,354,894	11

MEMBERSHIP EXHIBIT

Contributing members:

Membership December 31, 1925	8366
Admitted during the year	1892

Members retired	38
Members deceased	60
Members left service	1,434

10,258

1,532

Retired members:

Members retired December 31, 1925	342
-----------------------------------	-----

Members retired during year:-	
Between 60-70 years age	14
At age 70	16
With 35 years' service under age 60	1
Ordinary disability	5
Accidental disability	2
	38
	380

Retired members who died during year	29
--------------------------------------	----

Members retired December 31, 1926	351
-----------------------------------	-----

Non-members:	
To widow or child of deceased member	3
Special Legislative act	1
Under Sec. 5 (2) C (b)	1

5

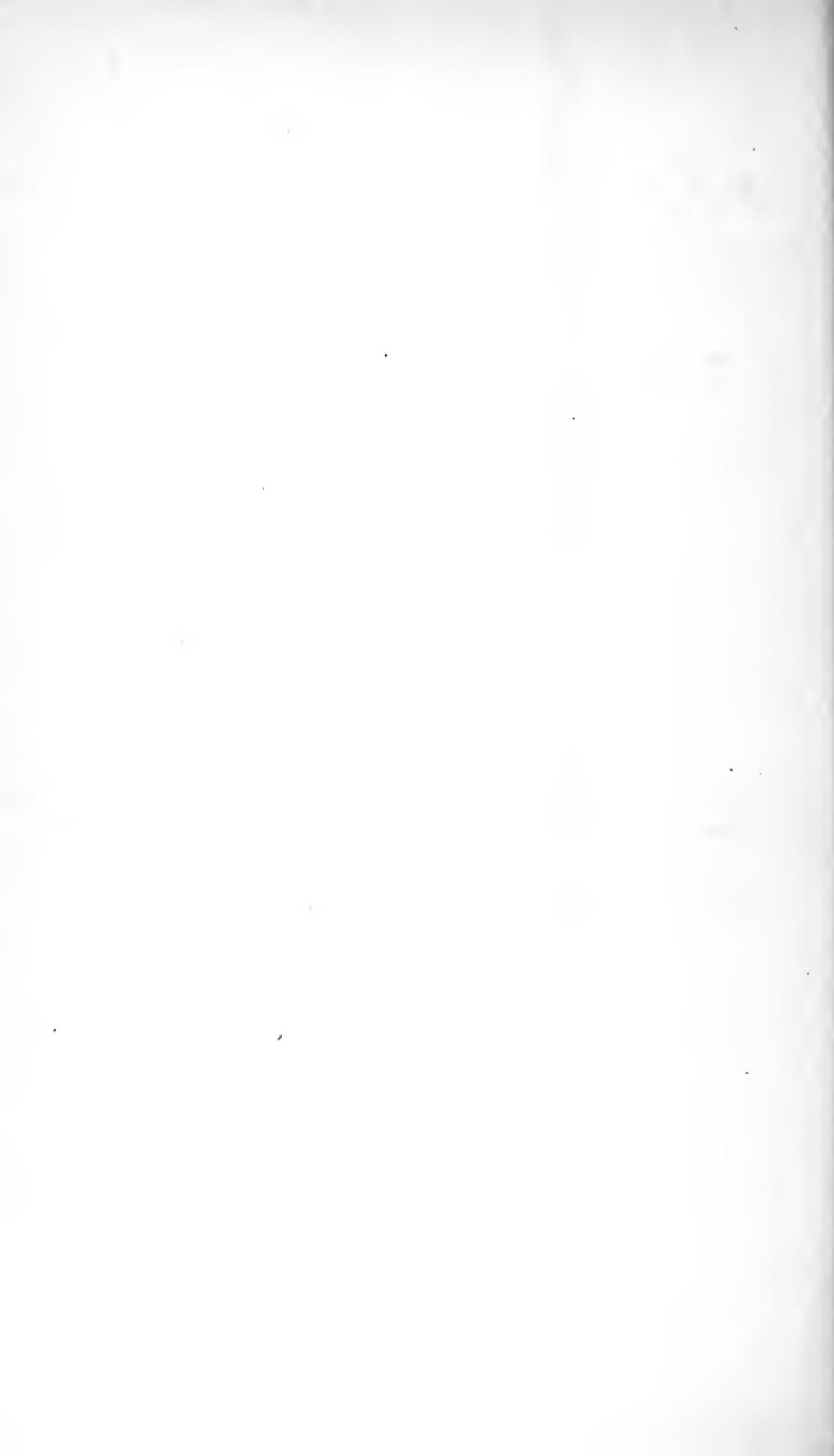
Total on pension roll, December 31, 1926	356
--	-----

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1926, to the best of our knowledge and belief.

WILLIAM S. YOUNGMAN
WARREN A. MERRILL
JOHN E. FISH } *Board of Retirement.*

Subscribed and sworn to before me this fourteenth day of February, 1927.

WALTER S. KENDALL,
Notary Public.





The Commonwealth of Massachusetts

ANNUAL REPORT

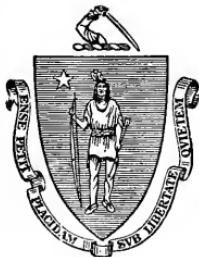
OF THE

BOARD OF RETIREMENT

FOR THE

Year Ending November 30, 1927

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

Publication of this Document approved by the Commission on Administration and Finance.

The Commonwealth of Massachusetts

REPORT

Division of Board of Retirement,
State House, Boston, December 31, 1927.

To the Honorable Senate and House of Representatives.

The sixteenth annual report of the Board of Retirement is herewith presented for your consideration.

The personnel of the Board consists of three members. Two changes in the Board membership occurred during the year. Mrs. Elizabeth F. Moloney was elected for a term of three years beginning February 16, 1927, upon ballots cast by members of the Retirement Association as the employee representative member of the Board. Dr. Clarence L. Scamman was appointed as third member by Mr. William S. Youngman, State Treasurer, chairman ex officio, and Mrs. Moloney. Mrs. Moloney is the first woman to serve as a member of the Board.

The contributory law has been in operation since January 1, 1912, approximately sixteen years, and the present fund consists of \$2,963,613.57, which has been deducted from the salaries or wages of the members, and \$671,727.15, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on December 31, 1927, amounts to \$3,635,340.72.

The annuity reserve for the payment of annuities to members on the retired list December 31, 1927, was \$161,737.00, and the gross assets on said date were \$3,855,584.53. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited an extra dividend of \$1.75 to each \$100. of each account as it stood on September 30, 1926. The total thus credited amounted to \$49,689.84.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1923, 5%; 1924, 5%; 1925, 5%; 1926, 4 $\frac{3}{4}$ %; 1927, 4 $\frac{1}{4}$ %. The annuity fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof. The accumulated savings refunded to members who left the service were \$176,068.64, and the amount refunded to the heirs or estates of deceased members was \$24,602.86.

The contributing members of the Retirement Association when it was first organized were 3,324, and the contributing members on November 30, 1927, were 8,924; males, 5,051; females, 3,873. There are 267 accounts payable of former members who left the service between 1912-1927 inclusive, amounting to \$6,068.20.

The following statistics relate to the 45 employees who were retired during the year November 30, 1927.

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability Ordinary . . .	5	55.80	24.80	\$2071.	\$52.12	\$242.52	\$294.64
Accidental . . .	3	50.33	23.00	1719.	66.93	689.69	756.62
Retirements at age 60 or over	37	67.46	25.62	1715.	118.83	423.79	542.62
Total for year . . .	45	65.02	25.33	\$1755.	\$107.96	\$442.51	\$545.81

During the year ending November 30, 1927, 1,820 new employees have become members of the Association and 1,310 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 45 persons during the year, 20 by reason of reaching the age of seventy, 5 for ordinary disability, 3 for permanent disability resulting from accidental injury in line of duty, (0) under age sixty who had completed thirty-five years of service retired voluntarily, and 17 between sixty and seventy years of age upon their request. The total of the retiring allowances of the 45 employees retired

during the year ending November 30, 1927, is \$23,817.17. Of this amount, \$4,855.13 was annuity derived from the contributions made by the members before retirement and the balance of \$18,962.04 was pension paid from State appropriation. Two widows of members were granted annual pensions amounting to \$1,836.00 on account of the death of the husband from injuries received in line of duty. The widows' pension is paid for life or until remarriage.

**TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1927
(AGE NEAREST BIRTHDAY)**

Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males	29	26	17	17	12	17	18	26	22	20	12	195	411
Females	25	19	14	6	14	8	10	7	4	14	5	41	166
Totals	54	45	31	23	26	25	28	33	26	34	17	236	577

The number of employees who have been granted a retirement allowance since the law became operative, June 1, 1912, is 577, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 5. Since retirement 205 annuitants and 5 non-members have died, so that retirement allowances are now being paid to 372 former employees. Of this number 133 were retired at the age of seventy or over; 194 were retired upon their request between sixty and seventy years of age; 12 were retired with 35 years of service under age sixty; 4 were wives retired at time of retirement of husbands; 21 were retired for ordinary permanent disability; 7 were retired for permanent accidental disability because of such injuries received in the line of duty; 1 non-member who was over fifty-five years of age when the retirement law was passed, was retired upon the request of the department in which he was employed.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Five payments are now being made under this act. The largest payment to a widow is \$936.00; the average is \$735.77.

Present Ages and Number of Persons who are receiving a Retirement Allowance.

Age	No.	Age	No.	Age	No.	Age	No.
40	1	53	-	66	11	79	8
41	-	54	1	67	14	80	7
42	-	55	2	68	21	81	6
43	1	56	1	69	14	82	5
44	-	57	3	70	31	83	2
45	-	58	5	71	30	84	3
46	-	59	6	72	25	85	2
47	-	60	7	73	31	86	1
48	1	61	2	74	25	87	2
49	1	62	9	75	15	88	1
50	-	63	8	76	22	89	-
51	-	64	8	77	13	90	1
52	2	65	11	78	13	91	-
						Total	372

The average age of persons on the retired list is 70.83 years.

There was also paid during said year in annuities \$20,618.24 from the annuity reserve fund represented by the deposits and interest credited to each member's account at the time of his retirement. This amount may be compared with \$3.67, the amount of annuities paid during (1912) the first year of operation of the retirement system.

During the year ending November 30, 1927, \$133,028.54 was paid as pensions to persons upon the retired list as compared with \$128,330.75 for the previous year. The largest retirement allowance being paid to an individual is \$1,770.96 composed

of an annuity paid from the savings of the retired member of \$178.03 and a pension paid by the State of \$1,592.93. The average retirement allowance paid to the persons on the list November 30, 1927, is \$423.84. The total annual retirement allowances of persons on the list November 30, 1927, is \$162,448.03, divided as follows: annuities, \$22,453.01; pensions, \$139,995.02 (widows' pensions, \$3,678.85, and 3 extra pensions by legislative act amounting to \$1,220.00, included).

The retirement system has 437 members who may voluntarily retire at the age of sixty to seventy during the coming fiscal year; 27 under sixty years of age who have completed thirty-five years of service; and 25 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 7% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$7,100. in addition to the amount of pensions in force on November 30, 1927. The Board has requested an appropriation of \$146,500. to cover the cost of pensions for the year ending November 30, 1928.

The expenses of the administration of the system for the year were: Salaries, \$9,212.51; contingent expenses, \$829.83; adding machine, \$467.70; reimbursement to institutions for making deductions from members' salaries, etc., \$3,500.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

The law provides that the minimum retirement allowance shall be based upon the form of annuity which gives the largest return from the employees' accumulated savings and which form of annuity does not provide any payments to the estate in case of the early death of the retired employee. The age at retirement, length of service, rate and amount of contribution, and the rate of interest credited to such contributions during employment are the factors which determine the amount of pension or annuity. The Board believes that the minimum retirement allowance should not be less than four hundred and eighty dollars per year in case a member has purchased the largest amount of annuity possible under the terms of the law (contributed 5%) during a period of State service long enough to be considered a reasonable proportion of the average working period.

AMENDMENT TO THE RETIREMENT LAW PASSED BY THE GENERAL COURT DURING THE SESSION OF 1927

Under Chapter 101, Acts of the year 1927, the law was amended so that additional interest may be credited to the account of a member who leaves the service between compound interest dates. In such cases the law now provides that additional interest shall be credited at the rate prescribed for "regular interest" and figured on the amount of the account at the last compound interest date for the period from said date to the first day of the month in which the member left, or, if the member dies while in the service or is retired, up to the first day of the month in which the refund is made or retirement becomes effective, as the case may be. Previous to this amendment, a member who left the State service between compound interest dates (June 30th, December 31st) did not receive any additional interest for any period after the last compound interest date, nor would the law permit an account to remain in the fund until after the succeeding compound interest date in order not to suffer loss of interest.

RECOMMENDATIONS FOR LEGISLATION

The Board of Retirement recommends striking out paragraph (8) of section 2 of chapter 32 of the General Laws, and the substitution of a new paragraph (8) to correct the ambiguous language of this paragraph caused at the time of the consolidation of the laws. The Board does not recommend any change in the law which will increase or decrease the present provisions of the law regarding the amount of retirement allowance to be paid to persons retired because of permanent disability from ordinary causes in the course of their employment.

The retirement law provides for the retirement of persons suffering from permanent disability resulting from injuries received through no fault of their own in the course of their employment, and if death results from such injury certain payments are made to the widow or minor children. The Board recommends the addition of a new paragraph (11) to section 2, so that the Commonwealth will only grant such disability pension to a member, or the death benefits to his widow or minor children, when the "injuries" received by the employee, fatal or otherwise, came as a natural and proximate result of an accident occurring within the scope of duty without contributory negligence on the part of the employee.

Respectfully submitted,

WILLIAM S. YOUNGMAN, *Chairman.*

ELIZABETH F. MOLONEY.

CLARENCE L. SCAMMAN.

Comparative Statement of Membership, as of November 30.

YEAR	Members Admitted during Year	REFUNDS	Retired for Permanent Disability		NUMBER RETIRED				MEMBERSHIP						
			Payments account in-juries received in performance of duty		35 or More Years Service Under Age 60:	Voluntary (age 60 to 70)	Compulsory (age 70)	Retirement with Spouse		Non-members (Age 60 and Over)	Total Retired During Year (Dependents Excluded)	Active	Deceased		
			Members	Dependents ¹				Wife	Husband						
1912	*3,324	181	12	327	-	-	20	25	-	-	45	3,121	2	43	
1913	1,522	21	568	-	-	1	26	8	-	2	36	4,020	4	75	
1914	1,630	19	820	-	-	3	21	6	-	-	28	4,783	5	98	
1915	1,686	29	1,017	-	-	13	8	-	-	24	5,399	4	118	-	
1916	1,445	30	1,339	-	-	2	15	10	-	1	28	5,445	8	138	
1917	1,361	33	1,165	-	-	1	18	14	1	1	36	5,573	12	162	
1918	1,360	40	1,446	-	-	3	14	6	1	-	24	5,423	12	174	
1919	1,910	65	1,125	-	-	2	15	11	1	1	31	6,113	9	196	
1920	1,679	38	1,445	-	-	1	14	10	1	-	28	6,282	16	208	
1921	1,752	35	958	-	-	1	3	22	18	-	44	6,997	11	241	
1922	2,014	55	1,270	-	-	1	2	1	22	12	-	37	7,649	16	262
1923	1,616	34	1,570	-	-	4	3	22	19	-	-	48	7,613	16	294
1924	1,971	35	1,224	1	2	4	2	28	16	-	-	51	8,274	16	329
1925	1,781	40	1,610	1	2	4	9	21	-	-	35	8,370	22	342	
1926	1,887	57	1,417	2	3	1	14	17	17	-	37	8,726	30	349	
1927	1,820	54	1,256	3	2	5	-	20	-	-	45	9,191	22	372	
Totals				7	5	36	13	290	221	4	-	6	577	-	205

* Enrollment Membership, Feb. 1, 1912, 3,324. Membership Nov. 30, 1927, Males, 5,180; Females, 4,011.

¹ Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, in case of death of parent from injuries received while in performance of duty. ² Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

*Recapitulation of Pension Cost under Non-contributory and Contributory Pension Systems Fiscal Year ending November 30.
(Chapter 32, General Laws.)*

YEAR	Judges (Sections 61 to 67)	Non-contributory				Contributory				TOTAL	
		Retired Women Cleaners (Section 74)		Prison Officers (Sections 46 to 48)		VETERANS		Teachers, Public Day Schools of Mass. (Sections 6 to 19 and 32 to 38)			
		Department of Public Safety (Section 68)	(Superin- tendent of Buildings)	Veterans Civil War (Sections 49 to 55)	Spanish and World Wars (Sections 56 to 60)	\$614,127 19 653,541 00	\$98,245 27 110,348 44	\$353,227 48 389,898 04	\$353,227 48 389,898 04		
1923	\$56,540 00	\$7,295 00	\$7,024 99	\$28,386 18	\$67,046 94	\$937 36	\$937 36	\$98,245 27 110,348 44	\$98,245 27 110,348 44	\$614,127 19 653,541 00	
1924	50,550 00	-\$228 39	2,088 46	28,189 35	63,514 93	1,700 00	446,906 06	120,003 93	120,003 93	717,261 04	
1925	52,257 66	\$464 00	8,285 00	1,671 41	27,583 67	57,211 51	2,871 68	518,002 61	518,002 61	787,482 18	
1926	50,324 20	7,030 33	1,500 00	1,500 41	4,429 88	4,350 00	4,350 00	598,310 05	598,310 05	858,100 00	
1927	47,571 09	464 00	6,575 50	1,326 90	28,127 24	38,826 76	3,869 92	133,028 75	133,028 75	858,100 00	

Retirements under sections 46 to 48 apply only to persons so employed prior to June 8, 1911.

Retirements under section 68 apply only to persons so employed prior to July 1, 1921.

Retirements under section 74 apply only to persons so employed prior to July 1, 1921.

Other non-contributory sections are active for each group.

Under contributory system the figures represent only the amount paid by the State; the annuities paid from members' contributions are not included. Teachers in all cities and towns except Boston are retired under this system. Reimbursement to cities and towns including Boston for certain pensions they paid to retired teachers included. Payments to widow during widowhood, or if no widow, for the benefit of child or children while under sixteen years of age, in case of death of parent from injuries received while in performance of duty included.

Comparison of Average Annual Payments to Persons on Retired Lists November 30, under Non-contributory and Contributory Pension Systems

YEAR	Judges	Non-contributory				Contributory				STATE EMPLOYEES Members	
		Retired Women Cleaners (Superin- tendent of Buildings)		Prison Officers		VETERANS		Public Day School Teachers, as of De- cember 31			
		Court Officers and Messen- gers	Depart- ment of Public Safety	Civil War	Spanish and World Wars	\$875 00	\$875 00	597 39 (950)	\$413 97 (349) 423 84 (372)		
1926	\$6,101 88 (10)	\$232 00 (2)	\$1,165 00 (5)	\$300 00 (5)	\$766 23 (39)	\$833 53 (56)	\$577 73 (852)	\$413 97 (349) 423 84 (372)	\$614 28 (3) 735 77 (5)		
1927	5,850 00 (8)	232 00 (2)	1,160 83 (6)	300 00 (4)	758 05 (37)	902 92 (40)	597 39 (950)				

A figure in parentheses in any column shows the number of pensioners under each system November 30; under contributory systems the figures represent the amount paid by the State, plus the annuities paid from members' contributions.

Public school teachers with fifteen years of service who served prior to July 1, 1914 (five preceding retirement), minimum, \$400. Under State Employees' Act of 1911, minimum of \$200 to all retired prior to Aug. 26, 1920, and \$300 to all retired after said date.

Only the pension paid by the State. The total pension is paid jointly by the State and the County in the same proportion as the salaries were paid at the time of retirement. The County payment is not stated.

Comparative Financial Statement as of December 31st.

YEAR	Deposits Received During the Year	Refunds of Deposits and Interest to Estate or Beneficiary		ANNUITIES		Contributing Members		Reserve for Payment of Annuities To Retired Members	Gross Assets	Rate of Surplus Credited to Members' Accounts			
		Interest and Surplus Credited Members' Accounts During the Year	Before After Retirement	Deposits and interest of Members Retired During Year	Paid During Year to Retired Members	Net Deposits	Net Interest						
1912	\$54,737.11	\$278.74	\$22.73	\$1,352.23	\$3.67	\$53,212.55	\$278.74	\$149.53	\$53,831.61	-			
1913	108,255.86	2,630.88	354.54	6,966.58	81.79	153,296.68	2,833.58	1,042.59	159,122.78	1 1/2%			
1914	132,142.37	7,587.34	1,101.92	15,213.21	204.98	267,786.14	10,075.86	2,524.89	282,380.79	1 1/2%			
1915	140,750.10	10,681.48	2,541.65	23,911.50	2,588.71	380,253.02	19,799.34	4,889.50	410,455.26	1 1/2%			
1916	151,663.02	18,196.52	2,819.27	40,319.47	4,803.73	485,953.61	35,860.02	8,602.71	549,954.50	1 1/2%			
1917	169,200.46	23,370.72	4,532.00	50,344.19	6,857.23	596,946.60	35,511.06	14,596.19	637,823.90	1 1/2%			
1918	176,071.58	27,648.72	6,575.11	83,334.85	7,407.79	76,222.77	20,092.37	806,261.36	1 1/2%				
1919	224,562.91	32,993.48	9,513.08	69,674.41	9,874.14	825,887.84	101,447.13	27,688.53	988,821.53	1 1/2%			
1920	272,480.80	42,405.44	7,496.99	\$400.50	99,219.03	12,248.86	4,272.91	133,521.60	36,666.25	1,200,076.44			
1921	308,478.58	52,898.43	7,356.19	-	70,122.22	19,834.13	1,210,591.20	176,809.61	51,825.63	1,489,063.57			
1922	367,408.79	65,325.45	16,162.12	-	87,389.89	20,299.24	7,744.97	1,466,713.45	229,570.35	1,344%			
1923	404,690.87	82,271.12	11,153.11	945.23	140,923.79	25,626.19	10,434.65	1,710,605.33	294,937.37	67,075.58			
1924	443,704.72	98,448.62	9,804.00	2,745.83	127,692.04	31,684.58	12,778.96	2,003,384.45	375,130.87	82,740.33			
1925	474,321.44	115,386.18	19,388.83	3,299.23	191,446.16	27,720.66	15,337.06	2,367,744.35	462,386.80	103,211.44			
1926	510,791.24	126,421.55	2,145.53	34,866.53	31,281.36	17,920.64	2,608,522.38	557,985.68	121,120.00	2,939,150.89			
1927	562,073.45	146,113.37	24,602.86	3,231.31	20,618.24	2,963,613.57	671,727.15	161,737.00	3,855,584.53	1 3/4%			

"Regular Interest," interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months' periods only." Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of each year and is figured on the accumulation of the account on the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i. e., 1927, $3 + \frac{1}{3} = 4\frac{3}{4}\%$.

Notice.—The figures given in this statement are on the basis of the year ending December thirty-first

ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMONWEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE 1, 1912.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1927, MADE TO THE COMMISSIONER OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3, CHAPTER 32, GENERAL LAWS.

INCOME

Members' deposits	\$562,073.45
Deductions for teachers' retirement board	2,080.50
Interest received on investments (less \$6,794.56 accrued interest paid on securities purchased during the year)	\$564,153.95
Members' deposits used to purchase annuities	152,912.97
Interest on same	32,026.70
	10,235.61
	<u>42,262.31</u>
Adjustment in book value of securities (amortized values)	2,857.04
Securities sold (gain, selling price over cost)	
Received from Commonwealth:	
For payment of pensions for service prior to June 1, 1912	\$103,630.54
For payment of pensions for service subsequent to June 1, 1912	21,332.37
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200.00
For payment of pensions to members retired for permanent accidental injuries	3,649.22
For payments to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	4,188.66
Under special legislative acts	1,220.00
	<u>134,220.79</u>
To cover loss in annuity reserve 12-31	
Credited to members' accounts:	
Regular interest at 3% comp. semi-annually	\$96,423.53
Extra dividend at 1 3-4%	49,689.84
	<u>146,113.37</u>
For reimbursement of State institutions	\$3,500.00
For salaries	9,204.69
For expenses	1,239.47
	<u>13,944.16</u>
Adjustment of refunds	
Total income	\$1,056,464.59
Balance December 31, 1926	3,273,012.90
Total	<u>\$4,329,477.49</u>

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$176,068.64
Deposits refunded, including interest, to representatives of deceased members	24,602.86
	<u>200,671.56</u>
Adjustment of refunds . . . . .	.04
Members' deposits used to purchase annuities	\$32,026.70
Interest on same	10,235.61
	<u>42,262.31</u>
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment	134,220.79
Annuities paid to members from their contributions	20,618.24
Regular interest and extra dividend credited to members' accounts	146,113.37
Salaries and contingent expenses	13,944.16
Refunds to estates of 6 deceased annuitants who at the time of their retirement elected the refund annuity option	3,231.31
Adjustment book value of securities (amortized values)	4,404.37
Deposits, Normal School to teachers' retirement board	2,080.50
	<u>567,546.59</u>
Total disbursements	3,761,930.90
Balance December 31, 1927	
Total	<u>\$4,329,477.49</u>

LEDGER ASSETS

Investments, par value \$3,629,925; amortized value	\$3,763,004.90
Cash (credit balance)	1,074.00

NON-LEDGER ASSETS

Accrued interest on investments	48,865.09
Deposits receivable from treasurers of institutions, etc.	43,472.80
Due from Commonwealth, net loss in annuity fund	1,315.74
Gross assets	<u>\$3,855,584.53</u>

LIABILITIES

Deposits of members including \$43,472.80 in hand of agents of the Board	\$2,963,613.57
Regular interest and extra dividends credited to members' accounts	671,727.15
Unpaid annuities due Dec. 31, 1927	
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	\$161,737.00
Annuity reserve	161,737.00
Annuity reserve surplus	58,506.81
Surplus (undivided profits)	
Total liabilities	\$3,855,584.53

MEMBERSHIP EXHIBIT

Members' accounts:		
Total December 31, 1926	8,748	
Admitted during the year	1,820	
		10,568
Members retired	43	
Members deceased	53	
Members left service	1,258	
		1,354
Plus adjustment of refunds previous year	9,214	
		15
	9,229	
Active accounts (members contributing on 12-31-27)		8,962
Accounts payable (former employees not employed 12-31-27)		267
Total accounts 12-31-27		9,229

Retired members:

Members retired December 31, 1926	351
Members retired during year:	
Between 60-70 years age	17
At age 70	20
With 35 years' service under age 60	
Ordinary disability	3
Accidental disability	3
	43
	394

Retired members who died during year

Members retired December 31, 1927 372

Non-members:

Pensions to widows account of death of husband from injuries received in line of duty (12-31-26)	3
Number granted to widows during year	2
	<u>5</u>
Widows deceased during year	0
Total widows on list 12-31-27	<u>5</u>
Special Legislative act	1
Under Sec. 5 (2) C (b)	1
Total on pension roll, December 31, 1927	379

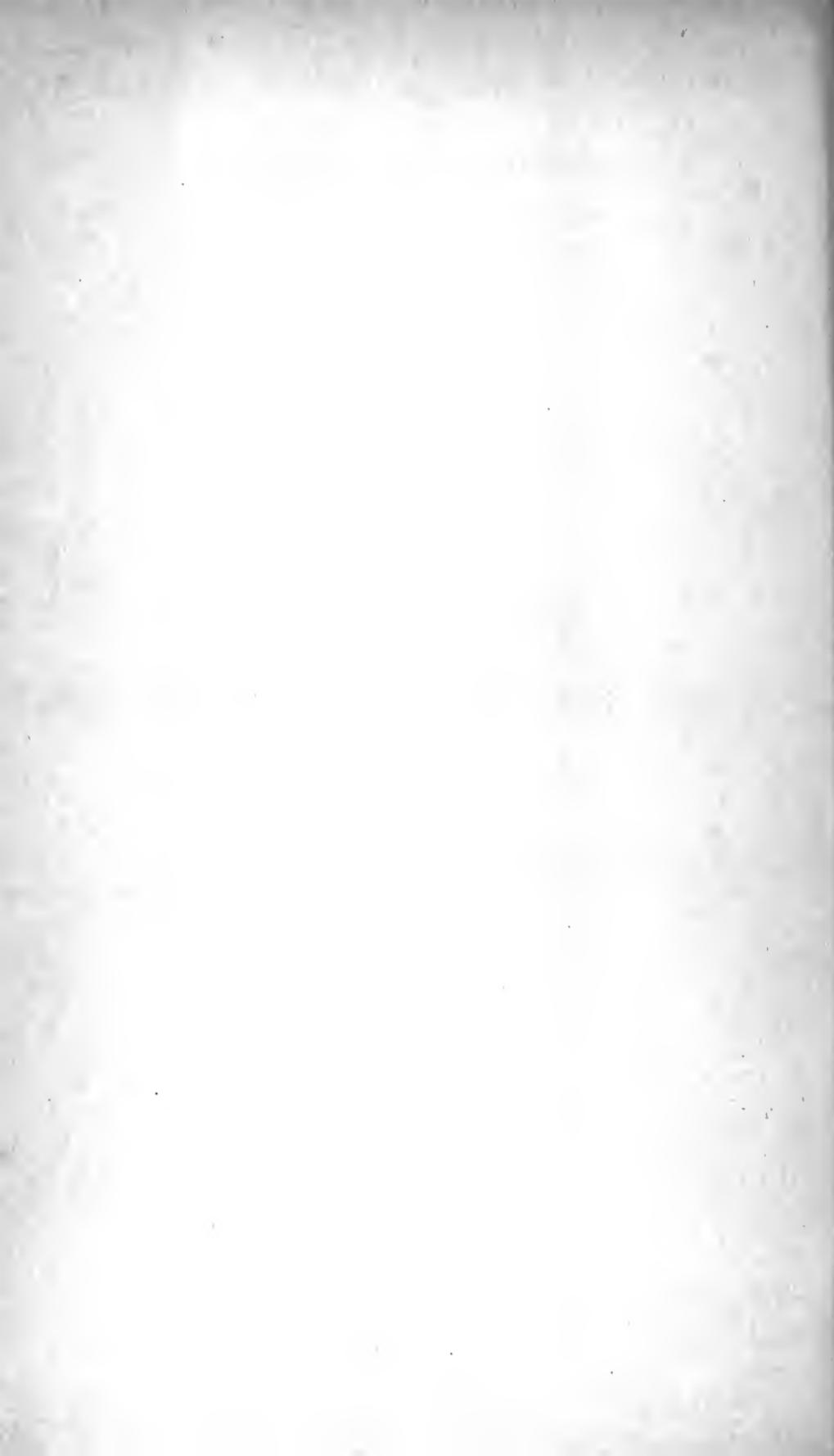
Total on pension roll, December 31, 1927

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1927, to the best of our knowledge and belief.

WILLIAM S. YOUNGMAN
ELIZABETH F. MOLONEY } *Board of Retirement.*
CLARENCE L. SCAMMAN }

Subscribed and sworn to before me this thirteenth day of February, 1928.

ELsie E. Hormel,
Notary Public.



The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1928

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

The Commonwealth of Massachusetts

REPORT

Division of Board of Retirement,
State House, Boston, December 31, 1928.

To the Honorable Senate and House of Representatives:

The seventeenth annual report of the Board of Retirement is herewith presented for your consideration.

No change in the personnel of the Board occurred during the year.

The contributory law has been in operation since January 1, 1912, approximately seventeen years, and the present fund consists of \$3,332,893.55, which has been deducted from the salaries or wages of the members, and \$799,227.84, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on December 31, 1928, amounts to \$4,132,121.39.

The annuity reserve for the payment of annuities to members on the retired list, December 31, 1928, was \$189,304.00, and the gross assets on said date were \$4,381,416.52. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited to active accounts on June 30, 1928, \$57,188.94 as an extra dividend at the rate of one and three quarters per cent on the dollars standing to the credit of such accounts on September 30, 1927. Regular interest amounting to \$110,988.17 was also credited to members' accounts during the year which plus \$57,188.94 (surplus) made a total distribution of interest amounting to \$168,177.11.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1924, 5%; 1925, 5%; 1926, 4 $\frac{3}{4}$ %; 1927, 4 $\frac{3}{4}$ %; 1928, 4 $\frac{3}{4}$ %. The annuity fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof. The accumulated savings refunded to members who left the service were \$186,691.10, and the amount refunded to the heirs, estates or beneficiaries of deceased members was \$36,626.36. There was also paid during said year in annuities \$25,001.10 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) the first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January, 1912) was 3,324, and the contributing members on November 30, 1928, were 9,263; males, 5,265; females, 3,998. There are 258 accounts payable of former members who left the service between 1912-1928, inclusive, amounting to \$4,823.43.

The following statistics relate to the 40 employees who were retired during the year November 30, 1928:

TABLE I

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary . . .	1	60.00	22.00	\$1,314.95	\$44.88	\$245.64	\$290.52
Accidental . . .	1	70.00	17.00	1,400.00	179.64	520.36	700.00
Retirements at age 60 or over	38	68.30	28.10	1,875.55	143.87	485.92	629.79
Total for year . . .	40	68.12	27.68	\$1,852.49	\$142.29	\$480.77	\$623.06

When a member is retired he receives a retirement allowance. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto during service) plus **Pension** (paid by the State).

During the year ending November 30, 1928, 1,770 new employees have become members of the Association and 1,400 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 40 persons during the year; 24 by reason of reaching the age of seventy;

1 for ordinary disability; 1 for permanent disability resulting from accidental injury in line of duty; (0) under age sixty who had completed thirty-five years of service retired voluntarily; and 14 between sixty and seventy years of age upon their request. The total of the retiring allowances of the 40 employees retired during the year ending November 30, 1928, is \$24,922.84. Of this amount, \$5,691.72 was annuity derived from the contributions made by the members before retirement and the balance of \$19,231.12 was pension paid from State appropriations. Three widows of members were granted annual pensions amounting to \$2,100.00 on account of the death of the husband from injuries received in line of duty. The widows' pension is paid for life or until remarriage.

TABLE 2

TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1928
(AGE NEAREST BIRTHDAY)

Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males	29	27	17	17	14	17	18	28	22	21	13	220	443
Females	24	19	15	7	16	8	13	7	4	14	6	41	174
Totals	53	46	32	24	30	25	31	35	26	35	19	261	617

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 617, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 8. Since retirement 221 members and 5 non-members have died, so that retirement allowances are now being paid to 391 former employees. Of this number 147 were retired at the age of seventy or over; 198 were retired upon their request between sixty and seventy years of age; 12 were retired with 35 years of service under age sixty; 4 were wives retired at time of retirement of husbands; 21 were retired for ordinary permanent disability; 8 were retired for permanent accidental disability because of such injuries received in the line of duty; 1 non-member who was over fifty-five years of age when the retirement law was passed, was retired upon the request of the department in which he was employed.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Eight payments are now being made under this act. The largest payment to a widow is \$936.00; the average is \$722.35.

TABLE 3

ANNUITY DATA DURING EACH YEAR ENDING NOVEMBER 30TH

(See Table 1 for average retirement allowance.)

YEAR	At Age 60 to 70 with 15 or More Yrs. Service	PERMANENT DISABILITY		Grand Total	Average Annuity of Mem- bers Re- tired 60-70	Largest	Total in Force November 30th
		Ordinary	Accidental				
1924	\$3,442 74	\$157 27	\$26 49	\$3,626 50	\$74 84	\$181 53	\$13,862 34
1925	2,878 45	194 77	52 56	3,125 78	95 95	185 95	16,362 93
1926	3,694 85	66 85	103 40	3,865 10	115 46	219 32	18,783 50
1927	4,396 75	257 60	200 78	4,855 13	118 83	231 08	22,453 01
1928	5,467 20	44 88	179 64	5,691 72	143 87	272 76	26,800 91

At retirement a member receives a retirement allowance. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto while employed) plus **Pension** (paid by State).

During the year ending November 30, 1928, \$149,401.42 was paid as pensions to persons upon the retired list as compared with \$133,028.54 for the previous year. The largest retirement allowance being paid to an individual is \$2,250.00 composed of an annuity paid from the savings of the retired member of \$260.64 and a pension paid by the State of \$1,989.36. The average retirement allowance paid to the persons on the list November 30, 1928, is \$443.81. The total annual retirement allowances of persons on the list November 30, 1928, is \$180,230.01, divided as follows: annuities, \$26,800.91; pensions, \$153,429.10 (widows' pensions, \$5,778.85, and 2 extra pensions by legislative act amounting to \$920.00, included).

The retirement system has 447 members who may voluntarily retire at the age of sixty to seventy during the coming fiscal year; 47 under sixty years of age who have completed thirty-five years of service; and 21 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 5% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$8,450 in addition to the amount of pensions in force on November 30, 1928. The Board has requested an appropriation of \$161,500 to cover the cost of pensions for the year ending November 30, 1929.

TABLE 4

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1928, ACCORDING TO AGE LAST BIRTHDAY

Age	No.	Age	No.	Age	No.	Age	No.
40	-	53	2	66	12	79	11
41	1	54	-	67	11	80	7
42	-	55	1	68	15	81	7
43	-	56	2	69	23	82	6
44	1	57	1	70	34	83	5
45	-	58	3	71	33	84	2
46	-	59	5	72	27	85	2
47	-	60	7	73	23	86	2
48	-	61	7	74	30	87	1
49	1	62	4	75	24	88	2
50	1	63	11	76	15	89	1
51	-	64	9	77	21	90	-
52	-	65	10	78	10	91	1
					Total		391

The average age of persons on the retired list is 71.34 years.

The expenses of the administration of the system for the year were: Salaries, \$9,313.80; contingent expenses, \$827.65; reimbursement to institutions for making deductions from members' salaries, etc., \$3,500.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

TABLE 5

ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR MAINTENANCE OF PENSION SYSTEM, 1912-1928

Year	Cost of Pensions, etc.	Salaries ¹ , Supplies, Reimbursement	Total	No. of Pensioners	Year	Cost of Pensions, etc.	Salaries ¹ , Supplies, Reimbursement	Total	No. of Pensioners
1912	\$5,343 71 ²	\$5,082 66	\$10,426 37	43	1921	\$72,301 18	\$10,790 65	\$83,091 83	243
1913	17,576 31	6,619 37	24,195 68	75	1922	83,556 88	10,937 70	94,494 58	263
1914	24,955 18	7,996 22	32,951 40	98	1923	98,294 23	11,559 40	109,853 63	294
1915	30,433 91	8,999 45	39,433 36	118	1924	110,346 84	12,054 23	122,401 07	329
1916	36,753 81	9,725 32	46,479 13	138	1925	120,010 05	12,373 90	132,383 95	342
1917	43,944 47	9,421 15	53,365 62	163	1926	128,330 75	12,647 23	140,977 98	352
1918	50,094 87	9,074 21	59,169 08	174	1927	133,028 54	14,010 04	147,038 58	377
1919	56,052 47	10,289 20	66,341 67	197	1928	149,401 42	13,641 45	163,042 87	399
1920	63,125 37	11,786 93	74,912 30	210					

¹ The reimbursement is made to show the estimated additional cost of bookkeeping caused by the operation of the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the State as yearly income and the amount of such income paid to thirty-nine institutions and schools in 1928 was \$3,500.

² Cost for 6 months. (First pension was paid 6-1-1912.)

**LAWS PASSED BY THE GENERAL COURT DURING THE SESSION OF
1928 AMENDING OR REVISING THE GENERAL LAWS****CHAPTER 248, ACTS OF 1928, REVISED PARAGRAPH 8, SECTION 2, CHAPTER 32,
GENERAL LAWS**

The present provisions of said paragraph permits a member of the Retirement Association under age sixty who has rendered fifteen or more years of service to retire, if after examination by a physician he is found by the Board to be permanently disabled for performance of duty; provided such disability is not the result of his own vicious habits or misconduct. The retirement allowance in case of retirement for ordinary disability is to be computed by the same method used in computing the retirement allowance of persons retired between ages sixty to seventy.

A member is protected in case of ordinary permanent disability (not temporary disability) after he has completed at least fifteen years of service even though he is under the usual retirement age (sixty to seventy) otherwise required by the law.

SECTION 2 OF SAID CHAPTER ADDS A NEW PARAGRAPH (11) TO SAID SECTION 2.

This paragraph defined the word "injuries" as used in paragraphs 9 and 10 of the retirement law. Under this definition the benefit and protection of the retirement allowance may only be paid to members who received "injuries" resulting in permanent disability or death, which are the natural and proximate results of an accident occurring in the performance and within the scope of duty, and without fault of the member. The paragraph also provides that payments on account of permanent accidental disability or death shall not date earlier than the date of receipt by the Board of the written application for accidental injury benefits.

CHAPTER 251-1928**THIS ACT AMENDED CHAPTER 29, OF THE GENERAL LAWS, BY ADDING AFTER
SECTION 9 A NEW SECTION 9A**

This act provides for an annual system of reimbursement by the cities and towns of the Metropolitan District of the sum paid to retired employees of the Metropolitan District Commission, or its predecessors, under the State retirement law. Employees of the Metropolitan District Commission, or its predecessors, have been classified for retirement purposes with State employees, and the entire cost of their retirement allowances have in the past been paid from State appropriations. Beginning with the year 1929 and each year thereafter the sum assessed upon the cities and towns of the Metropolitan District shall be an amount equal to the total pensions paid to retired employees, or their dependents, of said District Commission during the year ending on the preceding November 30th. The amount of assessments when paid shall become a part of the general revenue of the Commonwealth. Section 2 of this act provides for an assessment upon the Metropolitan District for the total cost of pensions paid by the State to retired employees, or their dependents, of the Metropolitan District for the six years prior to December 1, 1927. The amount of assessments for this period (\$100,143.65) became a part of the general revenue of the Commonwealth by assessments levied in 1928 upon the cities and towns comprising the Metropolitan District.

Respectfully submitted,

WILLIAM S. YOUNGMAN, *Chairman*,
ELIZABETH F. MOLONEY.
CLARENCE L. SCAMMAN.

TABLE 6
Comparative Statement of Membership, as of November 30.

YEAR	Members Admitted during Year	Number to Beneficiaries or Estates of Deceased Members	All Others	REFUNDS		PERMANENT DISABILITY OR DEATH		NUMBER PENSIONS		MEMBERSHIP		RETIRING							
				Mem- bers	De- pend- ents ¹	Accidental Injuries received in Performance of duty		Ordinary	35 or More Years' Service Under Age 60	Volun- tary (age 60 to 70)	Com- pulsory (age 70)	Wife	Hus- band	Retirement with Spouse	Con- tributing	De- ceased Em- ployees	De- pending Mem- bers	Non- Mem- bers	De- pending Mem- bers
						1	3												
1912	*3,324	12	327	-	-	-	-	-	20	25	-	-	-	2	43	-	-	-	
1913	1,181	21	568	-	-	-	-	-	26	8	-	-	-	28	4,783	5	97	1	
1914	1,522	19	820	1,017	-	-	-	-	21	6	-	-	-	24	5,399	4	117	1	
1915	1,630	29	1,339	-	-	-	-	-	13	8	-	-	-	1	36	4,020	4	137	1
1916	1,686	30	1,168	-	-	-	-	-	16	10	-	-	-	1	36	5,573	12	161	2
1917	1,445	33	1,446	-	-	-	-	-	18	14	-	-	-	1	31	5,423	12	173	1
1918	1,361	40	1,224	-	-	-	-	-	14	6	-	-	-	1	31	6,113	9	195	2
1919	1,360	65	1,125	-	-	-	-	-	15	11	-	-	-	1	28	6,282	16	207	3
1920	1,910	38	1,445	-	-	-	-	-	14	10	-	-	-	1	44	6,997	11	240	1
1921	1,679	35	958	-	-	-	-	-	22	18	-	-	-	1	44	7,649	16	261	2
1922	1,752	55	1,270	-	-	-	-	-	1	2	-	-	-	1	37	7,613	16	293	1
1923	2,014	34	1,370	-	-	-	-	-	4	3	-	-	-	1	48	8,274	16	328	1
1924	1,616	35	1,224	-	-	-	-	-	1	2	-	-	-	1	51	8,370	22	341	1
1925	1,971	40	1,610	-	-	-	-	-	2	9	-	-	-	1	35	8,726	30	348	3
1926	1,781	57	1,417	-	-	-	-	-	3	1	-	-	-	1	45	9,191	22	371	1
1927	1,867	54	1,256	-	-	-	-	-	2	5	-	-	-	1	40	9,521	21	390	1
1928	1,820	57	1,343	-	-	-	-	-	3	1	-	-	-	1	44	-	-	-	8
Totals	1,770	8	8	8	8	37	13	304	245	4	-	6	617	-	226	-	-	-	

* Enrollment Membership, Feb. 1, 1912, 3,324. Membership Nov. 30, 1928, Males, 5,388; Females, 4,133.

¹ Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, if death is the natural and proximate result of accidental injuries occurring in performance and within the scope of duty.

² Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

TABLE 7
Assessments upon Metropolitan District to Reimburse the State for Pensions paid to Employees retired from the Metropolitan District Service.

YEAR	PARK DIVISION			SEWER DIVISION		WATER DIVISION	Total
	Park Maintenance	Boule- vards ¹	Charles River Basin	Wellington Bridge	North System	South System.	
1928	\$23,287 36	\$2,475 53	\$7,722 25	\$1,801 71	\$7,766 45	\$11,175 02	\$46,143 65
							\$100,143 65 ²

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Commonwealth in the year in which the assessments are made.

and additional monies to pay for services prior to December 1, 1997.

In 1928 covered the six years prior to December 1, 1927.

TABLE 8
Pension Data during Each Year ending November 30th.

1. At retirement a member receives a retirement allowance. A retirement allowance is composed of two parts: **Pension** (paid by the State) plus **Annuity** (paid from contributions this interest credited to the members account during his service).

The entire cost of the retirement annuance (pension plus annuity) for service prior to 1-1-62 is paid by the State. The sum of pensions (A plus B) added to the Annuity (paid from member's savings plus interest) is equivalent to the annuity purchased by the member. If the sum of pensions (A plus B) added to the Annuity (paid from member's savings plus interest) is less than \$3300, additional payments are made by the State to make a minimum retirement allowance of not less than \$3300.

TABLE 9
Comparative Financial Statement as of December 31st.

Year	Deposits Received During the Year	Refunds of Deposits and Interest		Annuities		Contributing Members		Reserve for Payment of Annuities to Retired Members	Gross Assets	Rate of Surplus Credited to Members' Accounts			
		Interest and Surplus Credited to Members' Accounts During the Year	Estate of Beneficiary	Deposits and Interest of Members Retired during Year to Purchase	Paid During Year to Retired Members	Net Deposits	Net Interest						
912	\$54,737 11	\$278 74	\$222 73	\$1,352,23	\$149 60	\$3 67	\$53,212 55	\$278 74	\$149 53	\$53,831 61			
913	108,255 86	2,630 88	334 54	6,966 58	81 79	153,626 68	2,833 58	1,042 59	139,122 78	—			
914	132,142 37	7,537 34	1,101 92	15,213 21	1,626 71	20,498 94	267,786 14	10,075 86	2,524 89	282,380 79			
915	140,750 10	10,631 48	2,541 65	23,911 50	2,588 71	430 12	380,253 02	19,799 34	4,889 50	410,455 26			
916	151,663 02	18,196 52	8,191 27	40,130 47	4,803 71	846 24	485,953 61	51,990 02	8,602 71	549,954 50			
917	169,200 46	23,370 72	4,532 00	50,844 19	6,855 73	1,450 64	596,946 60	55,511 06	14,536 19	687,823 90			
918	176,071 58	27,618 72	6,571 11	83,334 85	7,407 74	1,242 26	682,673 94	72,222 27	20,072 37	806,261 36			
919	224,562 91	32,933 48	9,513 08	69,674 41	9,874 14	3,058 87	825,887 84	101,467 13	27,688 53	988,821 53			
920	272,480 80	42,445 44	7,496 99	99,210 03	12,248 85	4,272 91	989,814 74	133,521 60	36,666 25	1,200,076 44			
921	308,478 58	58,868 43	7,356 19	70,120 22	16,834 13	5,900 70	1,210,591 20	176,809 61	51,275 63	1,489,063 57			
922	367,408 79	65,325 45	16,162 12	87,389 89	20,299 24	7,744 97	1,466,713 45	229,757 35	67,705 58	1,827,095 86			
923	404,690 72	27,721 12	11,153 11	945 23	140,923 79	10,434 65	1,710,605 33	294,937 37	1,740 33	2,163,158 67			
924	443,704 82	98,448 62	9,804 00	2,745 83	127,692 04	31,684 58	12,775,130 87	375,130 87	10,321 44	15,507,712 86			
925	474,821 44	115,366 18	19,888 83	3,299 23	191,446 16	27,720 65	15,333 06	2,267,274 35	4,623,386 80	121,120 00			
926	510,791 24	126,441 55	34,866 53	2,145 53	31,281 36	17,920 64	31,281 36	55,798 68	135,742 00	1,344 00			
927	562,073 45	146,113 37	34,200 86	3,231 31	176,068 07	42,286 31	20,618 24	2,963,613 58	16,173,77	3,835,584 53			
928	596,918 82	168,177 11	36,626 36	3,081 79	186,691 10	46,795 19	25,001 10	3,332,893 55	799,227 84	1,344 00			
									189,304 00	4,381,416 52			

"Regular Interest," interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months' periods only." Surplus is extra interest, and is distributed on June thirtieth, "to obtain the regular interest," and to the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i. e., 1928, 3 plus 1 1/2 equals 4 1/2%.

Notice.—The figures given in this statement are on the basis of the year ending December thirty-first

ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMONWEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE 1, 1912.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1928, MADE TO THE COMMISSIONER OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3, CHAPTER 32, GENERAL LAWS.

INCOME		
Members' deposits	\$596,918.82	
Deductions for teachers' retirement board	2,063.00	\$598,981.82
Interest received on investments (less \$5,623.21 accrued interest paid on securities purchased during the year)		175,038.66
Members' deposits used to purchase annuities	\$35,105.92	
Interest on same	11,689.27	46,795.19
Adjustment in book value of securities (amortized values)		
Securities sold (gain, selling price over cost)		
Received from Commonwealth:		
For payment of pensions for service prior to June 1, 1912	\$109,651.66	
For payment of pensions for service subsequent to June 1, 1912	26,391.48	
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200.00	
For payment of pensions to members retired for permanent accidental injuries	4,927.67	
For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	6,648.01	
Under special legislative acts	1,120.00	\$148,938.82
To cover loss in annuity reserve 12-31-27		1,284.85
Credited to members' accounts:		
Regular interest at 3% comp. semi-annually	\$110,988.17	
Extra dividend at 1 3/4 %	57,188.94	168,177.11
For reimbursement of State institutions	\$3,500.00	
For salaries	9,327.67	
For expenses	868.83	13,696.50
Adjustment of refunds		
Total income		\$1,152,912.95
Balance December 31, 1927		3,761,930.90
Total		\$4,914,843.85

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service.	\$186,691.10	
Deposits refunded, including interest, to representatives of deceased members	36,626.36	\$223,317.46
Adjustment of refunds		9.42
Members' deposits used to purchase annuities	\$35,105.92	
Interest on same	11,689.27	46,795.19
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment		\$148,938.82
Annuities paid to members from their contributions		25,001.10
Regular interest and extra dividend credited to members' accounts		168,177.11
Salaries and contingent expenses		13,696.50
Refunds to estates of 3 deceased annuitants who at the time of their retirement elected the refund annuity option		3,081 .79
Adjustment book value of securities (amortized values)		6,390.46
Deposits, Normal School to teachers' retirement board		2,063.00
Total disbursements		\$637,470.85
Balance December 31, 1928		4,277,373.00
Total		\$4,914,843.85

LEDGER ASSETS

Investments, par value \$4,118,200; amortized value	\$4,272,266.38	
Cash	5,106.62	

NON-LEDGER ASSETS

Accrued interest on investments	\$55,982.74	
Deposits receivable from treasurers of institutions, etc.	45,270.19	
Due from Commonwealth, net loss in annuity fund	2,790.59	
Gross assets	\$4,381,416.52	

LIABILITIES

Deposits of members including \$45,270.19 in hand of agents of the Board	\$3,332,893.55
Regular interest and extra dividends credited to members' accounts	799,227.84
Unpaid annuities due Dec. 31, 1928	79.11
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	
Annuity reserve	\$189,304.00
Annuity reserve surplus	
Surplus (undivided profits)	189,304.00
	59,912.02
Total liabilities	\$4,381,416.52

MEMBERSHIP EXHIBIT

Members' accounts:

Total December 31, 1927	9,229
Admitted during the year	1,756
Members retired	39
Members deceased	56
Members left service	1,314
	1,409
Plus adjustment of refunds previous year	9,576
Active accounts (members contributing on 12-31-28)	9,318
Accounts payable (former employees not employed 12-31-28)	258
Total accounts 12-31-28	9,576

Retired members:

Members retired December 31, 1927	372
Members retired during year:	
Between 60-70 years age	13
At age 70	24
With 35 years' service under age 60	—
Ordinary disability	1
Accidental disability	1
	39
	411

Retired members who died during year

21

Members retired December 31, 1928

390

Non-members:

Pensions to widows account of death of husband from injuries received in line of duty (12-31-27)	5
Number granted to widows during year	3
Widows deceased during year	8
Total widows on list 12-31-28	0
Special Legislative act	—
Under Sec. 5 (2) C (b)	1

Total on pension roll, December 31, 1928

399

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1928, to the best of our knowledge and belief.

WILLIAM S. YOUNGMAN } ELIZABETH F. MOLONEY } CLARENCE L. SCAMMAN } *Board of Retirement.*

Subscribed and sworn to before me this nineteenth day of February, 1929.

FRANCIS O. P. CARLSON,
Justice of the Peace.



The Commonwealth of Massachusetts

ANNUAL REPORT

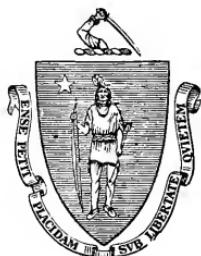
OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1929

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

Publication of this Document Approved by the Commission on Administration and
Finance

200—8-'30. No. 9845.

**The Commonwealth of Massachusetts
REPORT**

Division of Board of Retirement,
State House, Boston, November 30, 1929.

To the Honorable Senate and House of Representatives:

The eighteenth annual report of the Board of Retirement is herewith presented for your consideration.

One change in the personnel of the Board occurred during the year. Hon. John W. Haigis, Treasurer and Receiver-General, became ex-officio, chairman of the Board.

The contributory law has been in operation since January 1, 1912, approximately eighteen years, and the present fund consists of \$3,721,204.14, which has been deducted from the salaries or wages of the members, and \$937,248.95, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on December 31, 1929, amounts to \$4,658,453.09.

The annuity reserve for the payment of annuities to members on the retired list, December 31, 1929, was \$215,171.00, and the gross assets on said date were \$4,944,428.98. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited to active accounts on June 30, 1929, \$56,100.94 as an extra dividend at the rate of one and one-half per cent on the dollars standing to the credit of such accounts on September 30, 1928. Regular interest amounting to \$125,902.53 was also credited to members' accounts during the year which plus \$56,100.94 (surplus) made a total distribution of interest amounting to \$182,003.47.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1925, 5%; 1926, 4 3/4%; 1927, 4 3/4%; 1928, 4 3/4%; 1929, 4 1/2%. The annuity fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof. The accumulated savings refunded to members who left the service were \$200,955.78, and the amount refunded to the heirs, estates or beneficiaries of deceased members was \$29,682.32. There was also paid during said year in annuities \$28,397.92 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) the first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January, 1912) was 3,324, and the contributing members on November 30, 1929, were 9,649; males, 5,472; females, 4,177. There are 255 accounts payable of former members who left the service between 1912-1929, inclusive, amounting to \$4,370.44.

The following statistics relate to the 41 employees who were retired during the year November 30, 1929.

TABLE 1

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary . .	1	57 00	16 00	\$1,160 00	\$54 24	\$236 04	\$290 28
Accidental . .	3	64 33	22 33	1,792 34	156 64	706 32	862 96
Retirements at age 60 or over	36	67 52	27 91	1,891 97	150 29	461 92	612 21
Retirements with Spouse . .	1	45 00	8 00	1,003 48	24 72	24 72	49 44
Total for year . .	41	66 48	26 73	\$1,845 16	\$145 35	\$463 62	\$608 98

When a member is retired he receives a retirement allowance. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto during service) plus **Pension** (paid by the State). Spouse: when a husband or wife retires the spouse may also retire at the same time simply on the right acquired by the other. The retirement allowance is based on the service rendered, etc., with no minimum.

During the year ending November 30, 1929, 1,757 new employees have become members of the Association and 1,333 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 41 persons during the year; 17 by reason of reaching the age of seventy; 1 for ordinary disability; 3 for permanent disability resulting from accidental injury in line of duty; 1 under age sixty who had completed thirty-five years of service retired voluntarily; 18 between sixty and seventy years of age upon their request; and 1 wife retired with husband. When a husband or wife has acquired retirement rights the spouse may retire at the same time simply on the retirement rights of the other. The retirement allowance is based on the service rendered etc., without any minimum provisions. The total of the retiring allowance of the 41 employees retired during the year ending November 30, 1929, is \$24,968.04. Of this amount, \$5,959.44 was annuity derived from the contributions made by the members before retirement and the balance of \$19,008.60 was pension paid from State appropriations. No applications were received from widows of members for pensions on account of the death of the husband from injuries received in line of duty.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Eight payments are now being made under this act. The largest payment to a widow is \$936.00; the average is \$722.35.

TABLE 2
TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1929
(AGE NEAREST BIRTHDAY)
Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males	31	28	17	20	16	18	19	29	23	23	14	235	473
Females	26	19	15	8	16	8	13	7	5	15	7	46	185
Totals	57	47	32	28	32	26	32	36	28	38	21	281	658

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 658, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 8. Since retirement 245 members and 5 non-members have died, so that retirement allowances are now being paid to 408 former employees. Of this number 152 were retired at the age of seventy or

TABLE 3
TOTAL ANNUITIES TO EMPLOYEES RETIRED DURING EACH YEAR
ENDING NOVEMBER 30TH
(See Table 1 for average retirement allowance.)

YEAR	TOTAL ANNUITIES FOR RETIREMENT				Total in Force November 30th	
	At Age 60 to 70 with 15 or More Yrs. Service	PERMANENT DISABILITY		Grand Total		
		Ordinary	Accidental			
1925	\$2,878 45	\$194 77	\$52 56	\$3,125 78	\$95 95	
1926	3,694 85	66 85	103 40	3,865 10	115 46	
1927	4,396 75	257 60	200 78	4,855 13	118 83	
1928	5,467 20	44 88	179 64	5,691 72	143 87	
1929	5,435 28	54 24	469 92	5,959 44	145 35	
					290 04	

At retirement a member receives a retirement allowance. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto while employed) plus **Pension** (paid by State).

over; 206 were retired upon their request between sixty and seventy years of age; 13 were retired with 35 years of service under age sixty; 5 were wives retired at time of retirement of husbands; 20 were retired for ordinary permanent disability; 11 were retired for permanent accidental disability because of such injuries received in the line of duty; 1 non-member who was over fifty-five years of age when the retirement law was passed, was retired upon the request of the department in which he was employed.

During the year ending November 30, 1929, \$158,133.44 was paid as pensions to persons upon the retired list as compared with \$149,401.42 for the previous year. The largest retirement allowance being paid to an individual is \$2,250.00 composed of an annuity paid from the savings of the retired member of \$260.64 and a pension paid by the State of \$1,989.36. The average retirement allowance paid to the persons on the list November 30, 1929, is \$459.92. The total annual retirement allowances of persons on the list November 30, 1929, is \$193,425.64, divided as follows: annuities, \$30,835.16; pensions, \$162,590.48 (widows' pensions, \$5,778.85, included).

The retirement system has 514 members who may voluntarily retire during the coming fiscal year; and 21 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 5% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$9,100 in addition to the amount of pensions in force on November 30, 1929. The Board has requested an appropriation of \$171,700 to cover the cost of pensions for the year ending November 30, 1930.

TABLE 4

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1929, ACCORDING TO AGE LAST BIRTHDAY (WIDOWS EXCLUDED)

Age	No.	Age	No.	Age	No.	Age	No.
42	.	55	.	68	.	81	.
43	.	56	.	69	.	82	.
44	.	57	.	70	.	83	.
45	2	58	.	71	.	84	.
46	.	59	.	72	.	85	.
47	.	60	.	73	.	86	.
48	.	61	.	74	.	87	.
49	.	62	.	75	.	88	.
50	1	63	.	76	.	89	.
51	.	64	.	77	.	90	.
52	.	65	.	78	.	91	.
53	.	66	.	79	.	92	.
54	2	67	14	80	.	Total.	408

The average age of persons on the retired list is 71.69 years.

The expenses of the administration of the system for the year were: Salaries, \$9,889.55; contingent expenses, \$794.48; reimbursement to institutions for mak-

TABLE 5

ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR MAINTENANCE OF PENSION SYSTEM, 1912-1929

Year	Cost of Pensions, etc.	Salaries, ¹ Supplies, Reimbursement	Total	No. of Pensioners	Year	Cost of Pensions, etc.	Salaries ¹ Supplies, Reimbursement	Total	No. of Pensioners
1912	\$5,343 71 ²	\$5,082 66	\$10,426 37	43	1921	\$72,301 18	\$10,790 65	\$83,091 83	243
1913	17,576 31	6,619 37	24,195 68	75	1922	83,556 88	10,937 70	94,494 58	263
1914	24,955 18	7,996 22	32,951 40	98	1923	98,294 23	11,559 40	109,853 63	294
1915	30,433 91	8,999 45	39,433 36	118	1924	110,346 84	12,054 23	122,401 07	329
1916	36,753 81	9,725 32	46,479 13	138	1925	120,010 05	12,373 90	132,383 95	342
1917	43,944 47	9,421 15	53,365 62	163	1926	128,330 75	12,647 23	140,977 98	352
1918	50,094 87	9,074 21	59,169 08	174	1927	133,028 54	14,010 04	147,038 58	377
1919	56,052 47	10,289 20	66,341 67	197	1928	149,401 42	13,641 45	163,042 87	399
1920	63,125 37	11,786 93	74,912 30	210	1929	158,133 44	14,737 52	172,870 96	416

¹ The reimbursement is made to show the estimated additional cost of bookkeeping caused by the operation of the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the State as yearly income and the amount of such income paid to thirty-nine institutions and schools in 1929 was \$4,000.

² Cost for 6 months. (First pension was paid 6-1-1912.)

ing deductions from members' salaries, etc., \$4,000.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

LAWS PASSED BY THE GENERAL COURT DURING THE SESSION OF 1929 AMENDING OR REVISING THE GENERAL LAWS

CHAPTER 366, ACTS OF 1929, REVISED PARAGRAPH (2) A (A), SECTION 4, CHAPTER 32, GENERAL LAWS.

This amendment provides that after January 1, 1930 the maximum contribution to the Annuity Fund shall be based upon salary or wages received not exceeding the weekly rate of \$35.00 or \$1820. per annum (5%-\$91.00) instead of \$30.00 per week, \$1560. per annum (5%-\$78.00) which has been in effect since 1912. All employees becoming members of the Retirement Association after January 1, 1930 and active members who received on said date salary or wages at \$30.00 or less per week, are required to pay contributions from the salary or wages received, but not on the salary received exceeding the weekly rate of \$35.00. Any member who received on January 1, 1930 a weekly rate of salary exceeding \$30.00 per week is not required to pay contributions from the salary he receives above said amount, but any such member may at any time upon his written application to the Board contribute from the salary or wages received not exceeding the weekly rate of \$35.00. The law does not permit members to pay a sum of money to adjust their accounts to what their assessments plus interest would have amounted to under the new maximum for service between 1912 to 1929, inclusive. Any member who received more than \$30.00 per week on January 1, 1930, must contribute before January 1, 1931 from the salary or wages received exceeding \$30.00 per week to have his pension for service prior to June 1, 1912 computed upon salary or wages received not exceeding the weekly rate of \$35.00, otherwise the maximum assessment will be based upon the \$30.00 weekly rate.

CHAPTER 367, ACTS OF 1929, REVISED PARAGRAPH (2) E OF SECTION 5, CHAPTER 32, GENERAL LAWS.

This act provides a retirement allowance not less than \$480. per year for members who pay 5% contributions to the Annuity Fund including those who have adjusted their accounts to a 5% basis under Chapter 300, Acts of 1926, and who retire with twenty-five or more years of service. The other minimum of \$300. per year which has been in the law for several years remains the same as heretofore for certain cases where a member is retired with fifteen, or less than twenty-five, years of service and where the rate of contribution is not a factor.

Respectfully submitted,

JOHN W. HAIGIS, *Chairman.*

ELIZABETH F. MOLONEY.

CLARENCE L. SCAMMAN.

TABLE 6
COMPARATIVE STATEMENT OF MEMBERSHIP, AS OF NOVEMBER 30

YEAR	Members Admitted during Year	Number to Beneficiaries or Estates of Deceased Members	REFUNDS	NUMBER PENSIONS								MEMBERSHIP				
				PERMANENT DISABILITY OR DEATH		Accidental Injuries received in performance of duty		35 or More Years' Service Under Age 60 ²		Voluntary (age 60 to 70)		Retirement with Spouse		Retired		
				Members	Dependents ¹	Ordinary	Dependents	Men-	bers	Com- pul- sory (age 70)	Wife	Hus- band	Non- mem- bers (Age 60 and Over)	Mem- bers	Non- Mem- bers	De- pend- ents
1912	*3,324	12	327	-	-	-	-	-	-	20	25	-	-	45	3,121	-
1913	181	21	568	-	-	1	-	-	-	26	8	-	-	2	43	-
1914	1,522	19	820	-	-	2	-	-	-	21	6	-	-	26	4,020	-
1915	1,630	29	1,017	-	-	2	-	-	-	14	8	-	-	5	4,783	-
1916	1,686	30	1,339	-	-	2	-	-	-	15	10	-	-	24	5,399	-
1917	1,445	33	1,168	-	-	1	-	-	-	18	14	-	-	28	5,448	8
1918	1,361	40	1,446	-	-	3	-	-	-	14	6	-	-	1	5,573	12
1919	1,360	65	1,125	-	-	2	-	-	-	15	11	-	-	24	5,423	12
1920	1,910	38	1,445	-	-	1	-	-	-	14	10	-	-	1	6,113	9
1921	1,679	35	1,752	-	-	1	-	-	-	3	22	-	-	28	6,282	16
1922	2,014	55	1,270	-	-	2	-	-	-	1	12	-	-	44	6,997	11
1923	1,616	34	1,570	-	-	4	-	-	-	22	19	-	-	37	7,619	16
1924	1,971	35	1,224	1	-	4	2	-	-	28	16	-	-	48	7,613	16
1925	1,781	40	1,610	1	2	4	2	-	-	9	21	-	-	51	8,274	16
1926	1,867	57	1,417	2	3	1	-	-	-	14	17	-	-	35	8,370	22
1927	1,820	54	1,256	3	2	5	1	-	-	17	20	-	-	37	8,726	30
1928	1,770	57	1,343	1	3	1	-	-	-	14	24	-	-	45	9,191	1
1929	1,757	38	1,295	3	-	1	1	-	-	18	17	1	-	40	9,521	21
Totals				11	8	37	14	323	262	5	-	6	6,658	-	230	-

* Enrollment Membership, Feb. 1, 1912, 3,324. Membership Nov. 30, 1929, Males, 5,472; Females, 4,177, plus 255 suspense accounts.

¹ Payments to widow during widowhood or if no widow, for benefit of child or children while under sixteen years of age, if death is the natural and proximate result of accidental injuries occurring in performance and within the scope of duty.

² Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

Dec. 31, 1929 were 255—\$4,370.44.

Number of Suspense Accounts

ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR PENSIONS PAID TO EMPLOYEES RETIRED FROM THE
METROPOLITAN DISTRICT SERVICE

YEAR	PARK DIVISION				SEWER DIVISION		WATER DIVISION	Total
	Park Maintenance	Boulevards	Charles River Basin	Wellington Bridge	North System	South System		
1929	\$5,211 76	\$736 35	\$1,467 51	\$201 03	\$3,065 58	\$2,616 02	\$10,216 26	\$23,514 51

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Metropolitan District. Such assessments become a part of the general revenue of the Commonwealth in the year in which the assessments are made.

TABLE 8
TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH
(See Table I for Average Retirement Allowance)

YEAR	AMOUNT OF PENSIONS GRANTED				TOTAL ANNUAL			
	Account of Age and Service divided as follows:		Permanent Disability or Death Resulting from Accidental Injuries		Pensions		Pensions	
	(A) Service Prior to June 1, 1912	(B) Service after June 1, 1912	(C) To make Minimum Retirement Allowance	Pensions to Members	Pensions to Widows, etc.	Granted during Year	Released by Deaths during Year	Pensions in Force Nov. 30th ²
1924	\$9,796 88	\$3,729 08	\$3,601 79	\$597 64	\$1,424 25	\$249 96	\$17,725 39	\$113,594 83
1925	6,232 46	3,287 32	2,144 27	757 44	356 15	13,845 74	6,061 61	121,378 96
1926	8,249 90	4,225 40	2,295 91	1,210 09	435 87	15,981 30	10,203 60	127,156 66
1927	9,098 01	5,269 73	2,525 22	2,069 08	423 79	20,798 04	7,959 68	139,995 02
1928	10,995 88	6,301 08	1,413 80	520 36	2,100 00	485 92	21,331 12	153,429 10
1929	9,374 38	6,169 92	1,345 34	2,118 96	-	461 92	19,008 60	8,927 22

¹ At retirement a member receives a retirement allowance. A retirement allowance is composed of two parts: **Pension** (paid by the State) plus **Annuity** (paid from contributions plus interest credited to the members account during his service).

Members began to contribute from salary or wages June 1, 1912. Contributions plus interest purchase an annuity at retirement and the pension for service after 6-1-1912 is paid by the state. The entire cost of the retirement allowance (pension plus annuity) for service prior to 6-1-1912 is paid by the member.

² Additional pensions, if any, by special act of Legislature included. If the sum of pensions (A plus B) added to the Annuity (paid from member's savings plus interest additions) does not exceed \$300, the State pays an additional pension (C) to make a minimum retirement allowance of not less than twenty-five years of service. Any member retired with twenty-five or more years service after September 1929 who paid 5% assessments will receive a retirement allowance not less than \$480.

TABLE 9
COMPARATIVE FINANCIAL STATEMENT AS OF DECEMBER 31ST

Year	Deposits Received During the Year	Interest and Surplus Credited Members' Accounts During the Year		Refunds of Deposits and Interest		Annuities		Contributing Members		Reserve for Payment of Annuities to Retired Members	Gross Assets	Rate of Surplus Credited to Accounts			
		To Estate or Beneficiary		To Member Who Left the Service		Deposits and Interest of Members Retired during Year to Purchase		Paid During Year to Retired Members							
		Before Retirement	After Retirement	Before Retirement	After Retirement	Net Deposits	Net Interest								
1912	\$54,737.11	\$278.74	\$22.73	\$1,352.23	\$149.60	\$3.67	\$53,212.55	\$278.74	\$149.53	\$53,831.61	-	-			
1913	108,255.86	2,630.88	354.54	6,966.58	926.65	81.79	153,296.68	2,833.58	1,042.59	150,122.78	1	1/5%			
1914	132,142.37	7,587.34	1,101.92	15,213.21	1,626.71	204.98	267,786.14	10,075.86	2,524.89	282,380.79	1	1/2%			
1915	140,750.10	10,681.48	2,541.65	23,911.50	2,588.71	430.12	380,253.02	19,799.34	4,889.50	410,455.26	1	1/2%			
1916	151,663.02	18,196.52	2,819.27	40,319.47	4,803.73	846.24	485,953.61	33,890.02	8,602.71	549,554.50	1	1/2%			
1917	169,200.46	23,370.72	4,532.00	50,844.19	6,837.23	1,450.64	596,946.60	55,511.06	14,596.19	637,823.90	1	1/2%			
1918	176,071.58	27,648.72	6,575.11	83,334.85	7,407.79	2,124.26	682,637.94	76,222.27	20,092.37	806,241.36	1	1/5%			
1919	224,562.91	32,993.48	9,513.08	69,674.41	9,874.14	3,058.87	825,887.84	101,467.13	27,688.53	988,821.53	1	1/5%			
1920	272,480.80	42,465.44	7,496.99	\$400.59	99,219.03	12,258.85	4,272.91	133,521.60	36,666.25	1,200,076.44	1	3/4%			
1921	308,478.58	52,895.43	7,356.19	-	70,122.22	19,834.13	5,900.70	1,210,591.20	176,809.61	51,825.63	1,489,063.57	1	3/4%		
1922	307,408.79	65,325.45	16,162.12	-	87,389.89	20,299.24	7,744.97	1,466,713.45	229,570.35	67,075.58	1,827,095.86	1	3/4%		
1923	404,690.87	82,271.12	11,153.11	945.23	149,923.79	25,626.19	10,434.65	1,710,605.33	224,937.37	82,740.33	2,163,158.67	2	0%		
1924	443,704.72	98,448.62	9,804.00	2,745.83	127,692.04	31,684.58	12,778.96	2,003,384.45	375,130.87	103,211.44	2,567,416.80	2	0%		
1925	474,821.44	115,396.18	19,888.83	3,299.23	191,416.16	27,720.65	15,337.06	2,287,274.35	462,386.80	121,120.00	2,939,150.89	2	0%		
1926	510,791.24	126,421.55	34,866.53	2,145.53	207,183.07	31,281.36	17,920.64	2,608,522.38	557,935.68	135,742.00	3,354,894.11	1	3/4%		
1927	562,073.45	146,113.37	24,602.86	3,231.31	176,068.64	42,262.31	20,618.24	2,963,613.57	671,727.15	161,737.00	3,855,554.53	1	3/4%		
1928	596,918.82	168,177.11	36,626.36	3,081.79	186,691.10	25,001.10	7,799,227.55	189,304.00	4,381,416.52	2,151,171.00	4,944,428.98	1	3/4%		
1929	624,882.19	182,003.47	29,682.32	2,418.12	200,955.78	51,439.12	28,397.92	3,721,204.14	937,248.95	215,171.00	4,944,428.98	1	1/2%		

"Regular Interest," interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months periods only." Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of each year and is figured on the accumulation of the account on the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i.e., 1929, 3 plus 1½ equals 4½%.

Notice.—The figures given in this statement are on the basis of the year ending December thirty-first

ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMONWEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE 1, 1912.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1929, MADE TO THE COMMISSIONER OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3, CHAPTER 32, GENERAL LAWS.

INCOME

Members' deposits	\$624,882 19
Deductions for teachers' retirement board	2,283 90
	<hr/>
Interest received on investments (less \$6,130.49 accrued interest paid on securities purchased during the year)	\$627,166 09
Members' deposits used to purchase annuities	197,976 09
Interest on same	51,439 12
	<hr/>
Adjustment in book value of securities (amortized values) . . . . .	.....
Securities sold (gain, selling price over cost) . . . . .	.....
Received from Commonwealth:	
For payment of pensions for service prior to June 1, 1912	\$113,930 55
For payment of pensions for service subsequent to June 1, 1912	29,990 57
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00
For payment of pensions to members retired for permanent accidental injuries	6,193 92
For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	5,778 85
Under special legislative acts	24 84
	<hr/>
To cover loss in annuity reserve 12-31-28	156,118 73
Credited to members' accounts:	
Regular interest at 3% compounded semi-annually	\$125,902 53
Extra dividend at 1½%	56,100 94
	<hr/>
Interest and dividend credited to annuity reserve	182,003 47
For reimbursement of State institutions	9,100 67
For salaries	9,790 95
For expenses	878 04
	<hr/>
Adjustment of refunds	14,668 99
Net loss annuity reserve 12-31-28 paid by Commonwealth	03
	<hr/>
Total income	2,765 25
Balance December 31, 1928	\$1,241,238 44
	<hr/>
Total	\$5,518,611 44

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$200,955 78
Deposits refunded, including interest, to representatives of deceased members	29,682 32
Adjustment of refunds . . . . .	.....
Members' deposits plus interest used to purchase annuities	51,439 12
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment	156,118 73
Annuities paid to members from their contributions	28,397 92
Regular interest and extra dividend credited to members' accounts	182,003 47
Salaries and contingent expenses	14,668 99
Refunds to estates of three deceased annuitants who at the time of their retirement elected the refund annuity option	2,418 12
Adjustment book value of securities (amortized values)	7,717 18
Deposits, Normal School to teachers' retirement board	2,283 90
Interest and dividend credited to annuity reserve	9,100 67
	<hr/>
Total disbursements	\$684,786 20
Balance December 31, 1929	4,833,825 24
	<hr/>
Total	\$5,518,611 44

LEDGER ASSETS

Investments, par value \$4,637,200; amortized value	\$4,802,060 00
Cash	31,765 24
	<hr/>

Total ledger assets	\$4,833,825 24
--------------------------------------	-----------------------

NON-LEDGER ASSETS

Accrued interest on investments	\$63,810 29
Deposits receivable from treasurers of institutions, etc.	46,793 45
Due from Commonwealth, net loss in annuity fund . . . . .	.....
Gross assets	\$4,944,428 98

LIABILITIES

Deposits of members including \$46,793.45 in hand of agents of the Board	\$3,721,204	14
Regular interest and extra dividends credited to members' accounts	937,248	95
Unpaid annuities due Dec. 31, 1929	34	74
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	1,083	72
Annuity Reserve	215,171	00
Annuity reserve surplus	2,792	06
Surplus (undivided profits)	66,894	37
Total liabilities	\$4,944,428	98

MEMBERSHIP EXHIBIT

Members' accounts:

Total December 31, 1928	9,576	
Admitted during the year	1,746	
Members retired	41	
Members deceased	39	
Members left service	1,297	
		1,377
		9,945

Active accounts (members contributing on 2-31-29) 9,690
 Accounts payable (former employees not employed 12-31-29 amounting to \$4,370.44) 255

Total accounts 12-31-29 9,945

Retired members:

Members retired December 31, 1928	390	
Members retired during year:		
Between 60-70 years age	18	
At age 70	16	
With 35 years' service under age 60	2	
Ordinary disability	1	
Accidental disability	3	
With spouse	1	
	41	
Retired members who died during year		431
		25
Members retired December 31, 1929		406
Non-members:		
Pensions to widows account of death of husband from injuries received in line of duty (12-31-28)	8	
Number granted to widows during year	0	
	8	
Widows deceased during year	0	
Total widows on list 12-31-29	8	
Under Sec. 5 (2) C (b)	1	
	9	
Total on pension roll, December 31, 1929		41 5

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1929, to the best of our knowledge and belief.

JOHN W. HAIGIS
 ELIZABETH F. MOLONEY
 CLARENCE L. SCAMMAN } *Board of Retirement.*

Subscribed and sworn to before me this twenty-fifth day of February, 1930.

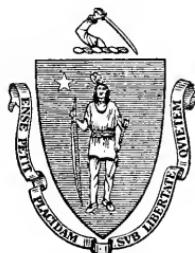
A. HARRIS PATON,
Justice of the Peace.



The Commonwealth of Massachusetts

ANNUAL REPORT
OF THE
BOARD OF RETIREMENT
FOR THE
YEAR ENDING NOVEMBER 30, 1930

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

The Commonwealth of Massachusetts

REPORT

DIVISION OF BOARD OF RETIREMENT,
STATE HOUSE, BOSTON, NOVEMBER 30, 1930.

To the Honorable Senate and House of Representatives:

The nineteenth annual report of the Board of Retirement is herewith presented for your consideration.

No change in the personnel of the Board occurred during the year.

The contributory law has been in operation since January 1, 1912, approximately nineteen years, and the present fund consists of \$4,186,233.69, which has been deducted from the salaries or wages of the members, and \$1,094,577.04, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on December 31, 1930, amounts to \$5,280,810.73.

The annuity reserve for the payment of annuities to members on the retired list, December 31, 1930, was \$254,025.00, and the gross assets on said date were \$5,610,997.33. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited to active accounts on June 30, 1930, \$63,951.64 as an extra dividend at the rate of one and one-half per cent on the dollars standing to the credit of such accounts on September 30, 1929. Regular interest amounting to \$142,672.82 was also credited to members' accounts during the year which plus \$63,951.64 (surplus) made a total distribution of interest amounting to \$206,624.46.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1926, 4 $\frac{3}{4}$ %; 1927, 4 $\frac{3}{4}$ %; 1928, 4 $\frac{3}{4}$ %; 1929, 4 $\frac{1}{2}$ %; 1930, 4 $\frac{1}{2}$ %. The annuity fund is invested according to restrictions and limitations of the statutes in only the securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof. The accumulated savings refunded to members who left the service during the year ending December 31, 1930 were \$187,344.83, and the amount refunded to the heirs, estates or beneficiaries of deceased members was \$37,487.30. There was also paid during said year in annuities \$33,276.08 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3,67, the amount of annuities paid during (1912) the first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January, 1912) was 3,324, and the contributing members on December 31, 1930, were 10,326; males, 5,833; females, 4,493. There are 256 accounts payable of former members who left the service between 1912-1930, inclusive, amounting to \$3,494.42.

The following statistics relate to the 44 employees who were retired during the year November 30, 1930.

TABLE I

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary	1	39.00	16	\$1,320	\$61.20	\$233.40	\$294.60
Accidental	1	70.00	20	1,897	265.80	754.20	1,020.00
Retirements (Age and Service)	42	67.23	27.93	2,047	165.30	477.21	642.51
Retirements with Spouse	-	-	-	-	-	-	-
Total for year	44	66.65	27.47	\$2,026	\$165.22	\$477.96	\$643.18

When a member is retired he receives a **retirement allowance**. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto during service) plus **Pension** (paid by the State). Spouse: when a husband or wife retires the spouse may also retire at the same time simply on the right acquired by the other. The retirement allowance is based on the service rendered, etc., with no minimum.

During the year ending November 30, 1930, 1,783 new employees have become members of the Association and 1,171 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 44 persons during the year; 20 by reason of reaching the age of seventy; 1 for ordinary disability; 1 for permanent disability resulting from accidental injury in line of duty; 1 under age sixty who had completed thirty-five years of service retired voluntarily; 21 between sixty and seventy years of age upon their request. The total of the retiring allowance of the 44 employees retired during the year ending November 30, 1930, is \$28,299.96. Of this amount, \$7,269.60 was annuity derived from the contributions made by the members before retirement and the balance of \$21,030.36 was pension paid from State appropriations. Three applications were approved for pensions to widows of members on account of the death of the husband from injuries received in line of duty amounting to annual payments of \$2,730.00.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Eleven payments are now being made under this law. The largest payment to a widow is \$990.00; the average is \$773.54.

TABLE 2

TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1930
(AGE NEAREST BIRTHDAY)
Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males	33	28	19	20	17	21	20	30	25	23	16	254	506
Females	26	20	16	8	16	8	15	9	5	17	8	48	196
Totals	59	48	35	28	33	29	35	39	30	40	24	302	702

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 702, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 11. Since retirement 275 members and 5 non-members have died, so that retirement allowances are now being paid to 422 former employees. Of this number 160 were retired at the age of seventy or over; 211 were retired upon their request between sixty and seventy years of age; 14 were retired with 35 years of service under age sixty; 5 were wives retired at time of retirement of husbands; 21 were retired for ordinary permanent disability; 10 were retired for permanent accidental disability because of such injuries received in the line of duty; 1 non-member who was over fifty-five years of age when the retirement law was passed, was retired upon the request of the department in which he was employed.

TABLE 3

ANNUITIES GRANTED TO EMPLOYEES RETIRED DURING EACH YEAR
ENDING NOVEMBER 30TH
(See Table 1 for average retirement allowance.)

YEAR	BASIS FOR RETIREMENT				Total in Force November 30th	
	Age and Service (15 or More Yrs. Service)	PERMANENT DISABILITY		Grand Total		
		Ordinary	Accidental			
1926	\$3,694 85	\$66 85	\$103 40	\$3,865 10	\$115 46	
1927	4,396 75	257 60	200 78	4,855 13	118 83	
1928	5,467 20	44 88	179 64	5,691 72	143 87	
1929	5,435 28	54 24	469 92	5,959 44	145 35	
1930	6,942 60	61 20	265 80	7,269 60	165 30	
					321 00	
					36,260 51	

At retirement a member receives a **retirement allowance**. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto while employed) plus **Pension** (paid by State).

During the year ending November 30, 1930, \$167,230.87 was paid as pensions to persons upon the retired list as compared with \$158,133.44 for the previous year. The largest retirement allowance being paid to an individual is \$2,250.00 composed of an annuity paid from the savings of the retired member of \$260.64 and a pension paid by the State of \$1,989.36. The average retirement allowance paid to the persons on the list November 30, 1930, is \$481.93. The total annual retirement allowances of persons on the list November 30, 1930, is \$211,882.77, divided as follows: annuity, \$36,260.51; pensions, \$175,622.26 (widows' pensions, \$8,508.85, included).

The retirement system has 519 members who may voluntarily retire during the coming fiscal year; and 22 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates of the amount of appropriation required to pay the cost of pensions for the next fiscal year upon experience it has gained that 4% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$8,300 in addition to the amount of pensions in force on November 30, 1930. The Board has requested an appropriation of \$183,800 to cover the cost of pensions for the year ending November 30, 1931.

TABLE 4

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1930, ACCORDING TO AGE LAST BIRTHDAY (WIDOWS EXCLUDED)

Age	No.	Age	No.	Age	No.	Age	No.
39	1	55	3	68	17	81	10
43	1	56	-	69	16	82	4
44	-	57	1	70	37	83	5
45	-	58	3	71	38	84	4
46	2	59	1	72	32	85	5
47	-	60	4	73	32	86	2
48	-	61	8	74	22	87	1
49	-	62	7	75	20	88	1
50	-	63	9	76	26	89	1
51	1	64	8	77	20	90	1
52	1	65	16	78	12	91	1
53	-	66	12	79	16	92	-
54	-	67	12	80	8	93	1
Total							422

The average age of persons on the retired list is 71.81 years.

The expenses of the administration of the system for the year were: Salaries, \$10,247.50; contingent expenses, \$847.56; reimbursement to institutions for making deductions from members' salaries, etc., \$4,335.47. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system.

TABLE 5

ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR MAINTENANCE OF PENSION SYSTEM, 1912-1930 (NOV. 30TH)

Year	Cost of Pensions, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 7)	No. of Pensioners	Year	Cost of Pensions, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 7)	No. of Pensioners
1912	\$5,343 71 ²	\$5,082 66	\$10,426 37	43	1922	\$83,556 88	\$10,937 70	\$94,494 58	263
1913	17,576 31	6,619 37	24,195 68	75	1923	98,294 23	11,559 40	109,853 63	294
1914	24,955 18	7,996 22	32,951 40	98	1924	110,346 84	12,054 23	122,401 07	329
1915	30,433 91	8,999 45	39,433 36	118	1925	120,010 05	12,373 90	132,383 95	342
1916	36,753 81	9,725 32	46,479 13	138	1926	128,330 75	12,647 23	140,977 98	352
1917	43,944 47	9,421 15	53,365 62	163	1927	133,028 54	14,010 04	147,038 58	377
1918	50,094 87	9,074 21	59,169 08	174	1928	149,401 42	13,641 45	163,042 87	399
1919	56,052 47	10,289 20	66,341 67	197	1929	158,133 44	14,737 52	172,870 96	416
1920	63,125 37	11,786 93	74,912 30	210	1930	167,230 87	15,430 53	182,661 40	433
1921	72,301 18	10,790 65	83,091 83	243					

¹The reimbursement is made to show the estimated additional cost of bookkeeping caused by the operation of the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the State as yearly income and the amount of such income paid to thirty-nine institutions and schools in 1930 was \$4,335.

²Cost for 6 months. (First pension was paid 6-1-1912.)

LAWS PASSED BY THE GENERAL COURT DURING THE SESSION OF 1930 AMENDING OR REVISING THE GENERAL LAWS

CHAPTER 335, ACTS OF 1930, REVISED PARAGRAPHS (2) A (B), 2 B (B) and F OF
SECTION 5, CHAPTER 32, GENERAL LAWS.

These amendments changed the provisions of law so that a member might name more than one surviving beneficiary but not contingent beneficiaries. The proportion allotted to each beneficiary will only be paid in case of survivorship and any proportion not so payable will be paid to the deceased member's estate except that when the total of any such amount is under \$100 payment may be made to the person appearing the judgment of the Board entitled thereto. The acts of minors in making beneficiary appointments were also made valid but a minor must name a beneficiary or beneficiaries of his kindred.

RECOMMENDATION FOR LEGISLATION.

The State retirement law provides that a member may be on a leave of absence on account of sickness without breaking the continuity of his service, provided he is reinstated in the active service before the expiration of two years from the date of beginning of the leave of absence. A member who receives payments under the workmen's compensation law for two or more years is required to withdraw from the Retirement Association, and if he is re-employed after such absence no credit is allowed under the retirement law for the service between June 1, 1912, to the date of injury. The Board believes that the entire period of payment to an injured employee under the compensation law should not interfere with his membership in the Retirement Association and not break the continuity of his service. It is therefore recommended that the entire period of payments under the compensation law be a part of continuous service under the retirement law.

Respectfully submitted,

JOHN W. HAIGIS, *Chairman*
ELIZABETH F. MOLONEY
CLARENCE L. SCAMMAN

TABLE 6
COMPARATIVE STATEMENT OF MEMBERSHIP, AS OF NOVEMBER 30

YEAR	Members Admitted during Year	REFUNDS		NUMBER PENSIONS						MEMBERSHIP						
		PERMANENT DISABILITY OR DEATH		35 or More Years Service Under Age 60 ²	Voluntary Service (age 60 to 70)	Retirement with Spouse		Non-members (Age 60 and Over)	Total Retired During Year (Dependents Excluded)	Active ³ and Suspense Accounts		Living Members	Non-Members	Dependents ¹		
		All Members	Others			Accidental Injuries received in performance of duty	Ordinary Dependents ¹			Wife	Husband					
*3,324				-	-	-	-	-	-	-	-	3,121	2	43		
1912	181	12	327	-	-	20	25	-	45	36	4,020	4	75	-		
1913	1,522	21	568	-	-	26	8	-	2	28	4,783	5	97	1		
1914	1,630	19	820	-	-	21	6	-	-	24	5,399	4	117	1		
1915	1,686	29	1,017	2	1	14	10	-	-	28	5,418	8	137	1		
1916	1,445	30	1,339	2	2	15	10	-	-	36	5,573	12	161	2		
1917	1,361	33	1,168	1	1	18	14	1	1	24	5,623	12	173	1		
1918	1,360	40	1,446	3	3	14	6	1	-	31	6,113	9	195	2		
1919	1,910	65	1,125	2	2	15	11	1	-	31	6,232	16	207	3		
1920	1,679	38	1,445	1	1	14	10	1	-	44	6,997	11	240	2		
1921	1,752	35	958	1	1	3	22	18	-	37	7,649	16	261	2		
1922	2,014	55	1,270	2	1	1	22	12	-	-	48	7,613	16	293	1	
1923	1,616	34	1,570	1	4	3	22	19	-	-	51	8,274	16	328	1	
1924	1,971	35	1,224	1	4	2	28	16	-	-	35	8,370	22	341	1	
1925	1,781	40	1,610	1	2	4	9	21	-	-	37	8,26	30	348	1	
1926	1,867	57	1,417	2	3	1	14	17	-	-	45	9,191	22	371	5	
1927	1,820	54	1,256	3	2	5	17	20	-	-	40	9,521	21	390	1	
1928	1,770	57	1,343	1	3	1	14	24	-	-	41	9,904	24	407	8	
1929	1,757	38	1,295	3	1	1	18	17	1	-	41	10,472	30	421	1	
1930	1,783	52	1,119	1	3	1	21	20	-	-	44	-	-	11	-	
Totals				12	11	38	15	344	282	5	-	6	702	-	280	-

*Enrollment Membership, Feb. 1, 1912, 3,324. Membership Nov. 30, 1930, Males, 5,762; Females, 4,454, plus 256 suspense accounts.

¹Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, if death is the natural and proximate result of accidental injuries occurring in performance and within the scope of duty.

²Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

³Active Accounts are present employees and Suspense Accounts are unclaimed accounts of former members whose present address is unknown. Number of Suspense Accounts Dec. 31, 1930 were 256 — \$3,494.42.

TABLE 7
ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR PENSIONS PAID TO EMPLOYEES RETIRED FROM THE
METROPOLITAN DISTRICT SERVICE

YEAR	PARK DIVISION				SEWER DIVISION		WATER DIVISION	TOTAL
	Park Maintenance	Boulevards	Charles River Basin	Wellington Bridge	North System	South System		
1930	\$6,212.52	\$932.71	\$1,254.42	\$201.03	\$3,748.65	\$2,757.41	\$9,954.88	\$25,061.62

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Metropolitan District. Such assessments become a part of the general revenue of the Commonwealth in the year in which the assessments are made.

TABLE 8
TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH
(See Table 1 for Average Retirement Allowance)

YEAR	AMOUNT OF PENSIONS GRANTED				TOTAL ANNUAL			
	(A) Service Prior to June 1, 1912	(B) Service after June 1, 1912	(C) To make Minimum Retirement Allowance	Permanent Disability or Death Resulting from Accidental Injuries	Average Pension to Employees Retired for Age and Service	Pensions Granted during Year	Pensions Released by Deaths during Year	Annual Pensions in Force Nov. 30th
1926	\$4,225.40	\$2,295.91	\$1,210.09	\$1,836.00	\$435.87	\$10,203.30	\$127,156.66	
1927	\$8,249.90	5,269.73	2,069.08	2,100.00	423.79	7,939.68	139,995.02	
1928	9,098.01	6,301.08	520.36	485.92	24,331.12	7,597.04	153,429.10	
1929	10,995.88	9,374.38	1,345.34	2,118.96	461.92	19,008.60	8,927.22	162,590.48
1930	10,365.24	8,037.84	754.20	2,730.00	477.21	23,760.36	10,728.58	175,622.26

¹ At retirement a member receives a **retirement allowance**. A retirement allowance is composed of two parts; **Pension** (paid by the State) plus **Annuity** (paid from contributions plus interest credited to the members' account during his service). (See Table 1.) Contributions plus interest purchase an annuity at retirement and the pension for service after 6-1-1912 is equivalent to the annuity purchased by the member.

² Additional pensions, if any, by special act of Legislature included. If the sum of pensions (A plus B) added to the **Annuity** (paid from member's savings plus interest additions) does not exceed \$300, the State pays an additional pension (C) to make a minimum retirement allowance of not less than twenty-five years of service. Any member retired with twenty-five or more years service after September, 1929, who paid 5% assessments will receive a retirement allowance not less than \$480.

TABLE 9
COMPARATIVE FINANCIAL STATEMENT AS OF DECEMBER 31ST

Year	Deposits Received During the Year	Refunds of Deposits and Interest		Annuities		Contributing Members		Reserve for Payment of Annuities to Retired Members	Gross Assets	Rate of Surplus Credited to Members' Accounts			
		Interest and Surplus Credited to Members' Accounts During the Year	To Estate or Beneficiary	To Member Who Left the Service	Deposits and interest of Members Retired during Year to Purchase	Paid During Year to Retired Members	Net Deposits						
			Before Retirement	After Retirement		During Year to Purchase							
1912	\$54,737 11	\$278 74	\$22 73	\$1,352 23	\$149 60	\$3 67	\$53,212 55	\$278 74	\$149 53	\$53,831 61			
1913	108,255 86	2,630 88	364 54	6,966 58	926 65	81 79	153,296 68	2,833 58	1,042 50	159,122 78			
1914	132,142 37	7,587 34	1,101 92	15,213 21	1,626 71	204 98	267,786 14	10,075 86	2,524 89	282,380 79			
1915	140,750 10	10,681 48	2,541 65	23,911 50	4,803 71	380 12	380,253 02	19,799 34	4,889 50	410,455 26			
1916	151,663 02	18,196 52	2,819 27	40,319 47	4,803 73	946 24	485,953 01	35,890 02	8,602 71	549,954 50			
1917	169,200 46	23,370 72	4,532 00	50,844 19	6,857 23	1,450 04	506,946 60	55,511 06	14,596 19	687,823 90			
1918	176,071 58	27,648 72	6,755 11	83,334 85	7,407 79	612 26	682,637 94	76,222 27	20,092 37	806,261 36			
1919	224,562 91	32,983 48	9,513 08	69,674 41	9,874 14	3,068 87	825,887 84	101,467 13	27,688 53	988,821 53			
1920	272,480 80	42,465 44	7,496 99	\$400 59	99,210 03	12,248 85	4,272 91	989,814 74	133,521 60	36,666 25			
1921	308,478 58	52,898 43	7,356 19	70,122 22	19,834 13	5,900 20	1,210,591 20	176,809 61	51,825 63	1,200,076 44			
1922	367,408 79	65,325 45	16,162 12	87,389 89	20,299 24	7,744 97	1,466,713 45	229,570 35	67,075 58	1,827,005 86			
1923	404,690 87	82,271 12	11,153 11	945 23	140,923 79	25,626 19	10,434 65	294,937 37	82,740 33	2,163,18 67			
1924	443,704 72	98,448 62	9,804 00	2,745 53	127,692 04	31,684 58	12,778 96	2,003,384 45	103,211 44	2,567,712 86			
1925	474,821 44	115,396 18	19,888 83	3,299 23	191,446 16	27,720 65	15,337 06	2,267,274 35	2,939,150 89	2,939,150 89			
1926	510,791 24	126,421 55	2,145 53	207,183 07	31,281 36	17,920 64	2,668,522 38	557,985 68	3,354,894 00	135,742 00			
1927	562,073 45	146,113 37	24,602 86	3,231 31	176,068 64	42,262 31	20,618 24	2,963,613 57	67,172 15	161,737 00			
1928	596,918 82	168,177 11	36,626 36	3,081 79	186,691 10	46,795 19	25,001 10	3,322,893 55	799,227 84	3,855,584 53			
1929	624,882 19	182,003 47	29,682 32	2,418 12	200,955 78	51,439 12	28,597 92	3,731,204 14	4,381,416 52	4,381,416 52			
1930	693,636 33	206,624 46	37,487 30	3,971 84	187,344 83	62,310 53	33,276 08	4,136,233 69	1,034,577 04	4,944,428 98			
										5,610,997 33			

"Regular Interest," interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months periods only." Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of each year and is figured on the accumulation of the account on the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i.e., 1827, 3 plus 1½ equals 4½.

**ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE
STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMON-
WEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE
1, 1912.**

STATEMENT FOR THE YEAR ENDING DEC. 31, 1930, MADE TO THE COMMISSIONER OF
INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3,
CHAPTER 32, GENERAL LAWS.

INCOME

Members' deposits	\$693,636 33	
Deductions for teachers' retirement board	2,621 20	\$696,257 53
Interest received on investments (less \$8,040 04 accrued interest paid on securities purchased during the year)		222,201 38
Members' deposits used to purchase annuities	\$44,285 42	
Interest on same	18,025 11	62,310 53
Adjustment in book value of securities (amortized values)		
Securities sold (gain, selling price over cost)		4,726 51
Received from Commonwealth:		
For payment of pensions for service prior to June 1, 1912	\$118,222 60	
For payment of pensions for service subsequent to June 1, 1912	35,135 89	
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00	
For payment of pensions to members retired for permanent accidental injuries	6,495 20	
For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	8,440 54	
Under special legislative acts		
To cover loss in annuity reserve 12-31-29		168,494 23
Credited to members' accounts:		
Regular interest at 3% compounded semi-annually	\$142,672 82	
Extra dividend at 1½%	63,951 64	206,624 46
Interest and dividend credited to annuity reserve		10,556 91
For reimbursement of State institutions	\$4,335 47	
For salaries	10,258 48	
For expenses	713 29	15,307 24
Adjustment of refunds		
Total income	\$1,386,478 79	
Balance December 31, 1929		4,833,825 24
Total	\$6,220,304 03	

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$187,344 83	
Deposits refunded, including interest, to representatives of deceased members	37,487 30	
Adjustment of refunds		01
Members' deposits plus interest used to purchase annuities		62,310 53
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment		168,494 23
Annuities paid to members from their contributions		33,276 08
Regular interest and extra dividend credited to members' accounts		206,624 46
Salaries and contingent expenses		15,307 24
Refunds to estates of three deceased annuitants who at the time of their retirement elected the refund annuity option		3,971 84
Adjustment book value of securities (amortized values)		12,689 46
Deposits, Normal School to teachers' retirement board		2,621 20
Interest and dividend credited to annuity reserve		10,556 91
Total disbursements		\$740,684 09
Balance December 31, 1930		5,479,619 84
Total	\$6,220,304 03	

LEDGER ASSETS

Investments par value \$5,281,700; amortized value	\$5,459,757 39	
Cash	19,862 55	
Total ledger assets	\$5,479,619 94	

NON-LEDGER ASSETS

Accrued interest on investments	\$75,344 43	
Deposits receivable from treasurers of institutions, etc.	56,032 96	
Due from Commonwealth, net loss in annuity fund		
Gross assets		\$5,610,997 33

LIABILITIES

Deposits of members including \$56,032.96 in hand of agents of the Board	\$4,186,233	69
Regular interest and extra dividends credited to members' accounts	1,094,577	04
Unpaid annuities due Dec. 31, 1930		
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option		254,025 00
Annuity Reserve		676 04
Annuity reserve surplus		75,485 56
Surplus (undivided profits)		
Total liabilities	\$5,610,997	33

MEMBERSHIP EXHIBIT

Members' accounts:		
Total December 31, 1929	9,945	
Admitted during the year	1,837	
		11,782
Members retired	44	
Members deceased	52	
Members left service	1,104	
		1,200
		10,582
Active accounts (members contributing on 2-31-30)		10,326
Accounts payable (former employees not employed 12-31-30) amounting to \$3,494.42		256
Total accounts 12-31-30		10,582

Retired members:

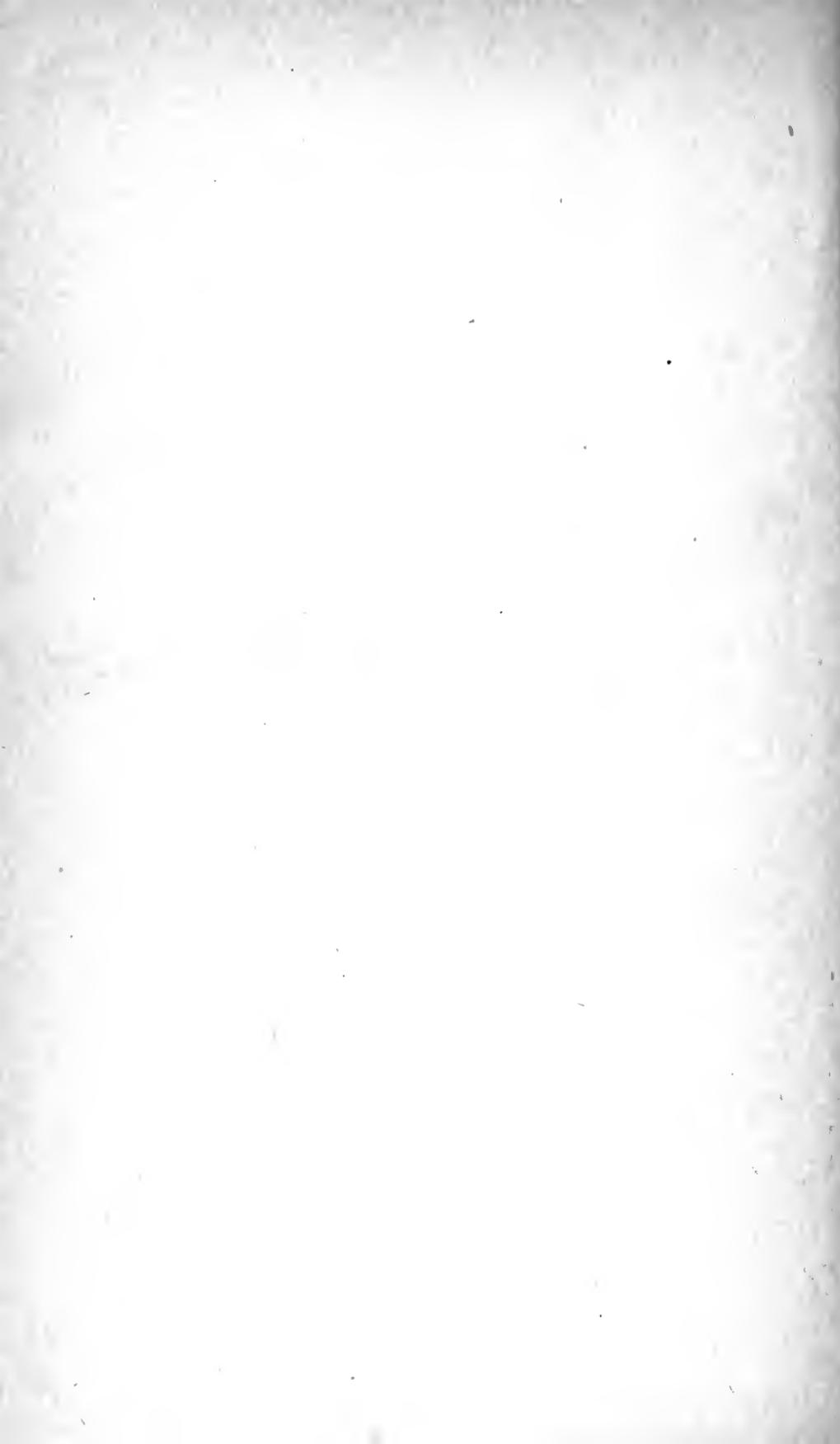
Members retired December 31, 1929	406	
Members retired during year:		
Between 60-70 years age	21	
At age 70	20	
With 35 years' service under age 60	1	
Ordinary disability	1	
Accidental disability	1	
With spouse	—	
		44
Retired members who died during year		28
Members retired December 31, 1930		422
Non-members:		
Pensions to widows account of death of husband from injuries received in line of duty (12-31-29)	8	
Number granted to widows during year	3	
		11
Widows deceased during year	0	
Total widows on list 12-31-30	11	
Under Sec. 5 (2) C (b)	1	
		12
Total on pension roll, December 31, 1930		434

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1930, to the best of our knowledge and belief.

CHARLES F. HURLEY
ELIZABETH F. MOLONEY
CLARENCE L. SCAMMAN } *Board of Retirement.*

Subscribed and sworn to before me this sixteenth day of February, 1931.

A. HARRIS PATON,
Justice of the Peace.



The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1931

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

The Commonwealth of Massachusetts

REPORT

DIVISION OF BOARD OF RETIREMENT,
State House, Boston, November 30, 1931.

To the Honorable Senate and House of Representatives:

The twentieth annual report of the Board of Retirement is herewith presented for your consideration.

Two changes in the personnel of the Board occurred during the year. Hon. Charles F. Hurley, Treasurer and Receiver-General, became ex-officio, Chairman of the Board, and Dr. Harry Schwartzman was appointed as third member. Dr. Clarence L. Scamman, formerly Assistant Director in the Massachusetts Department of Public Health, and third member of the Retirement Board resigned from the State service to take up public health work in another state.

The contributory law has been in operation since January 1, 1912, approximately twenty years, and the present fund consists of \$4,727,428.45, which has been deducted from the salaries or wages of the members, and \$1,283,131.89, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on December 31, 1931, amounts to \$6,010,560.34.

The annuity reserve for the payment of annuities to members on the retired list, December 31, 1931, was \$271,792.00, and the gross assets on said date were \$6,370,972.95. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited to active accounts on June 30, 1931, \$72,670.31 as an extra dividend at the rate of one and one-half percent on the dollars standing to the credit of such accounts on September 30, 1930. Regular interest amounting to \$162,104.95 was also credited to members' accounts during the year which plus \$72,670.31 (surplus) made a total distribution of interest amounting to \$234,775.26.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1927, 4 $\frac{3}{4}$ %; 1928, 4 $\frac{3}{4}$ %; 1929, 4 $\frac{1}{2}$ %; 1930, 4 $\frac{1}{2}$ %; 1931 4 $\frac{1}{2}$ %. The annuity fund is invested according to restrictions and limitations of the statutes in securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof. The accumulated savings refunded to members who left the service during the year ending December 31, 1931 were \$166,541.46, and the amount refunded to the heirs, estates or beneficiaries of deceased members was \$50,229.31. There was also paid during said year in annuities \$38,603.79 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) the first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January, 1912) was 3,824, and the contributing members on December 31, 1931, were 11,417; males, 6,492; females, 4,925. There are 276 accounts payable of former members who left the service between 1912-1931, inclusive, amounting to \$4,684.48.

The following statistics relate to the 32 employees who were retired during the year November 30, 1931.

TABLE 1

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary	1	54.00	27.00	\$1,800	\$87.24	\$379.44	\$466.68
Accidental	2	54.00	10.00	1,681	54.90	755.88	810.78
Retirements (Age and Service)	28	68.07	26.57	1,857	187.23	422.64	609.87
Retirements with Spouse . . .	1	58.00	22.00	1,378	75.96	95.16	171.12
Total for year	32	66.42	25.40	\$1,829	\$172.36	\$431.89	\$604.25

When a member is retired he receives a **retirement allowance**. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto during service) plus **Pension** (paid by the State). Spouse: when a husband or wife retires the spouse may also retire at the same time simply on the right acquired by the other. The retirement allowance is based on the service rendered, etc., with no minimum.

During the year ending November 30, 1931, 2,271 new employees have become members of the Association and 1,033 have left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 32 persons during the year; 18 by reason of reaching the age of 70; 1 for ordinary disability; 2 for permanent disability resulting from accidental injury in line of duty; 0 under age sixty who had completed thirty-five years of service retired voluntarily; 10 between sixty and seventy years of age upon their request, and 1 wife retired with her husband. A spouse under the retirement age has the right to retire on the day the other retires or is retired. The total of the retiring allowances of the 32 employees retired during the year ending November 30, 1931, is \$19,335.96. Of this amount, \$5,515.56 was annuity derived from the contributions made by the members before retirement and the balance of \$13,820.40 was pension paid from State appropriations. No applications were presented for pensions to widows of members on account of the death of the husband from injuries received in line of duty.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Eleven payments are now being made under this law. The largest payment to a widow is \$990.00; the average is \$773.54.

TABLE 2

TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1931
(AGE NEAREST BIRTHDAY)

Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males :	35	29	21	21	17	21	20	31	26	23	17	266	527
Females :	27	22	16	8	16	8	15	9	5	17	8	56	207
Totals	62	51	37	29	33	29	35	40	31	40	25	322	734

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 728 members and 6 non-members, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 11. Since retirement 302 members and 5 non-members have died, so that retirement allowances are now being paid to 427 former employees. Of this number 166 were retired at the age of seventy or over; 209 were retired upon their request between sixty and seventy years of age; 14 were retired with 35 years of service under age sixty; 6 were wives retired at time of retirement of husbands; 19 were retired for ordinary permanent disability; 12 were retired for perman-

ent accidental disability because of such injuries received in the line of duty. In addition 1 non-member who was over fifty-five years of age when the retirement law was passed and who was retired upon the request of the department in which he was employed is now receiving the minimum payment.

TABLE 3
ANNUITIES GRANTED TO EMPLOYEES RETIRED DURING EACH YEAR
ENDING NOVEMBER 30TH
(See Table 1 for average retirement allowance.)

YEAR	Age and Service (15 or More Yrs. Service)	PERMANENT DISABILITY		Grand Total	Average Annuity of Mem- bers Retired Age Service	Largest	Total in Force November 30th				
		Ordinary	Accidental								
1927 . . .	\$4,396 75	\$257 60	\$200 78	\$4,855 13	\$118 83	\$231 08	\$22,453 01				
1928 . . .	5,467 20	44 88	179 64	5,691 72	143 87	272 76	26,800 91				
1929 . . .	5,435 28	54 24	469 92	5,959 44	145 35	290 04	30,835 16				
1930 . . .	6,942 60	61 20	265 80	7,269 60	165 30	321 00	36,260 51				
1931 . . .	5,318 52	87 24	109 80	5,515 56	187 23	334 56	39,914 28				

At retirement a member receives a **retirement allowance**. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto while employed) plus **Pension** (paid by State).

During the year ending November 30, 1931, \$178,078.55 was paid as pensions to persons upon the retired list as compared with \$167,230.87 for the previous year. The largest retirement allowance being paid to an individual is \$2,250.00 composed of an annuity paid from the savings of the retired member of \$260.64 and a pension paid by the State of \$1,989.36. The average retirement allowance paid to retired employees on the list November 30, 1931, is \$494.32. The total annual retirement allowances of persons on the list November 30, 1931, is \$219,585.34, divided as follows; annuity, \$39,914.28; pensions, \$179,671.06 (widows' pensions, \$8,508.85, included).

The retirement system has 614 members who may voluntarily retire during the coming fiscal year; and 39 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates for the amount of appropriations required to pay the cost of pensions for the next fiscal year upon experience it has gained that 4% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$10,680 in addition to the amount of pensions in force on December 31, 1931. The Board has requested an appropriation of \$194,200 to cover the cost of pensions for the year ending November 30, 1932.

TABLE 4
NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1931, ACCORDING TO
AGE LAST BIRTHDAY (WIDOWS EXCLUDED)

Age	No.	Age	No.	Age	No.	Age	No.
40	1	55	-	68	11	81	8
41	1	56	3	69	16	82	10
44	1	57	-	70	35	83	2
45	-	58	2	71	37	84	5
46	-	59	3	72	37	85	3
47	2	60	4	73	32	86	5
48	-	61	6	74	27	87	2
49	-	62	8	75	22	88	-
50	-	63	6	76	19	89	1
51	-	64	9	77	24	90	1
52	1	65	9	78	20	91	-
53	1	66	15	79	11	92	1
54	1	67	11	80	14	93	-
						Total	427

The average age of persons on the retired list is 72.00 years.

The expenses of the administration of the system for the year were: Salaries, \$10,365.48; contingent expenses, \$1,026.25; reimbursement to institutions for making deductions from members' salaries, etc., \$4,449.37. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system (See foot note Table 5).

TABLE 5

ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR MAINTENANCE OF PENSION SYSTEM, 1912-1931 (NOV. 30TH)

Year	Cost of Pensions, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 7)	No. of Pensioners	Year	Cost of Pensions, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 7)	No. of Pensioners
1912	\$5,343 71 ²	\$5,082 66	\$10,426 37	43	1922	\$83,556 88	\$10,937 70	\$94,494 58	263
1913	17,576 31	6,619 37	24,195 68	75	1923	98,294 23	11,559 40	109,853 63	294
1914	24,955 18	7,996 22	32,951 40	98	1924	110,346 84	12,054 23	122,401 07	329
1915	30,433 91	8,999 45	39,433 36	118	1925	120,010 05	12,373 90	132,383 95	342
1916	36,753 81	9,725 32	46,479 13	138	1926	128,330 75	12,647 23	140,977 98	352
1917	43,944 47	9,421 15	53,365 62	163	1927	133,028 54	14,010 04	147,038 58	377
1918	50,094 87	9,074 21	59,169 08	174	1928	149,401 42	13,641 45	163,042 87	399
1919	56,052 47	10,289 20	66,341 67	197	1929	158,133 44	14,737 52	172,870 96	416
1920	63,125 37	11,786 93	74,912 30	210	1930	167,230 87	15,430 53	182,661 40	433
1921	72,301 18	10,790 65	83,091 83	243	1931	178,078 55	15,841 10	193,919 65	438

¹The reimbursement is made to show the estimated additional cost of bookkeeping caused by the operation of the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the State as yearly income and the amount of such income paid to thirty-nine institutions and schools in 1931 was \$4,449.37.

²Cost for 6 months. (First pension was paid 6-1-1912.)

LAWS PASSED BY THE GENERAL COURT DURING THE SESSION OF 1931 AMENDING OR REVISING THE GENERAL LAWS

CHAPTER 378, ACTS OF 1931

The State Retirement Law was amended so that a member who receives payments under the Workmens Compensation Law on account of injuries received in line of duty may be treated in all respects as a contributing member except as to liability to contribute to the Annuity Fund during the entire period of payments under said law and for an additional period of thirty days.

If such a member is reinstated in the active service within thirty days from the date of termination of compensation payments all of the time covered by compensation payments including any additional time within said thirty day period is counted a part of his continuous service under the retirement law. Any member attaining age seventy during the period of compensation payments must be retired on the termination date of compensation payments, and any member otherwise meeting the age of service requirements necessary for retirement prior to the date of termination of compensation payments if not reinstated in the service, may apply for retirement without being required to be reinstated in the service. A member is not required to leave his account but may withdraw same while receiving compensation payments by filing with the Board the necessary waivers.

Respectfully submitted,

CHARLES F. HURLEY, Chairman
ELIZABETH F. MOLONEY
HARRY SCHWARTZMAN, M. D.

TABLE 6
COMPARATIVE STATEMENT OF MEMBERSHIP, AS OF NOVEMBER 30

YEAR	REFUNDS		NUMBER PENSIONS						MEMBERSHIP				
	Members Admitted during Year	Number to Beneficiaries or Estates of Deceased Members	PERMANENT DISABILITY OR DEATH		35 or More Years Service Under Age 60		Compulsory (age 60 to 70)		Retirement with Spouse		RETIRED		
			Accidental Injuries received in performance of duty	Ordinary	—	—	—	—	Wife	Husband	Non-members (Age 60 and Over)	Mortality	
1912	*3,324	12	327	—	—	—	20	25	—	—	45	3,121	2
1913	1,522	21	568	—	—	—	26	8	—	—	36	4,020	4
1914	1,630	19	820	—	—	—	21	6	—	—	28	4,783	5
1915	1,686	29	1,017	—	—	—	14	8	—	—	24	5,399	4
1916	1,445	30	1,339	—	—	—	15	10	—	—	28	5,448	8
1917	1,361	33	1,168	—	—	—	1	18	14	1	1	137	—
1918	1,360	40	1,446	—	—	—	3	—	14	6	36	5,573	12
1919	1,910	65	1,125	—	—	—	2	1	15	11	1	24	5,423
1920	1,679	38	1,445	—	—	—	1	1	14	10	1	31	6,113
1921	1,752	35	958	—	—	—	1	1	3	22	18	6,282	16
1922	2,014	55	1,270	—	—	—	2	1	22	12	—	44	6,997
1923	1,616	34	1,570	—	—	—	4	3	22	19	—	37	7,649
1924	1,971	35	1,224	—	—	—	4	2	28	16	—	48	7,613
1925	1,781	40	1,610	—	—	—	2	4	9	21	—	35	8,370
1926	1,867	57	1,417	2	—	—	3	1	14	17	—	37	8,726
1927	1,820	54	1,256	—	—	—	5	—	17	20	—	45	9,191
1928	1,770	57	1,313	1	3	—	1	1	14	24	—	40	9,521
1929	1,757	38	1,285	3	—	—	1	1	18	17	—	41	9,904
1930	1,753	52	1,119	1	3	—	1	1	21	20	—	44	10,472
1931	2,271	73	960	2	—	—	1	—	10	18	1	32	30
Totals				14	11	39	15	354	300	6	—	6	734
										—	307	—	—

*Enrollment Membership, Feb. 1, 1912, 3,324. Membership Nov. 30, 1931, Males, 6,482; Females, 4,920, plus 276 suspense accounts.

¹Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, if death is the natural and proximate result of accidental injuries occurring in performance and within the scope of duty.

²Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

³Active Accounts are present employees and Suspense Accounts are unclaimed accounts of former members whose present address is unknown. Number of Suspense Accounts Dec. 31, 1931 were 276 — \$4,684.48.

ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR PENSIONS PAID TO EMPLOYEES RETIRED FROM THE
METROPOLITAN DISTRICT SERVICE

YEAR	PARK DIVISION				SEWER DIVISION		WATER DIVISION	TOTAL
	Park Maintenance	Boule- vards ¹	Charles River Basin	Wellington Bridge	North System	South System		
1931	\$6,399 44	\$998 58	\$925 86	\$201 03	\$4,092 09	\$3,264 20	\$10,295 53	\$26,176 73

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Metropolitan District. Such assessments become a part of the general revenue of the Commonwealth in the year in which the assessments are made. An equal amount was made in 1928, covering 1922-1927 inclusive, \$100,143.65; 1929, \$23,514.51; 1930, \$25,061.62.

TABLE 8

TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH
(See Table 1 for Average Retirement Allowance)

YEAR	AMOUNT OF PENSIONS GRANTED				TOTAL ANNUAL			
	(A) Service Prior to June 1, 1912	(B) Service after June 1, 1912	(C) To make Minimum Retirement Allowance	Account of Age and Service divided as follows	Permanent Disability or Death Resulting from Accidental Injuries	Average Pension to Employees Retired for Age and Service ¹	Pensions Granted during Year	Pensions Released by Deaths during Year
1927	\$5,269 73	\$2,525 22	\$2,069 08	\$1,836 00	\$20,798 04	\$7,959 68	\$139,995 02	
1928	6,301 08	1,413 80	520 36	2,100 00	21,331 12	7,597 04	133,429 10	
1929	6,169 92	1,315 34	2,118 96	-	19,008 60	8,927 22	162,590 48	
1930	8,037 84	1,873 08	754 20	2,730 00	23,760 36	10,728 58	175,622 26	
1931	10,365 24	1,045 80	1,511 76	-	13,820 40	9,771 60	179,671 06	

¹ At retirement a member receives a **retirement allowance**. A retirement allowance is composed of two parts; **Pension** (paid by the State) plus **Annuity** (paid from contributions plus interest credited to the member's account during his service). (See Table 1.)

Contributions plus interest purchase an annuity at retirement and the pension for service after 6-1-1912. Members began to contribute from salary or wages June 1, 1912. Contributions plus interest (pension plus annuity) for service prior to 6-1-1912 is equivalent to the annuity purchased by the member. The entire cost of the retirement allowance (pension plus annuity) is paid by the state.

² Additional pensions, if any, by special act of Legislature included. If the sum of pensions (A plus B) added to the **Annuity** (paid from member's savings plus interest additions) does not exceed \$300, the State pays an additional pension (C) to make a minimum retirement allowance of not less than \$300 for less than twenty-five years of service. Any member retired with twenty-five or more years service after September, 1929, who paid 5% assessments will receive a retirement allowance not less than \$480.

TABLE 9
COMPARATIVE FINANCIAL STATEMENT AS OF DECEMBER 31ST

Year	Deposits Received During the Year	Interest and Surplus Credited, Members' Accounts During the Year	Refunds of Deposits and Interest		Annuities		Contributing Members		Gross Assets	Rate of Surplus Credited to Members' Accounts		
			To Estate or Beneficiary		Deposits and Interest of Members Retired during Year to Purchase		Paid During Year to Retired Members					
			Before Retirement	After Retirement	Net Deposits	Net Interest	Net Deposits	Net Interest				
1912	\$54,737.11	\$273.74	\$22.73	-\$1,352.23	\$149.60	\$3.67	\$53,212.55	\$278.74	\$149.53	\$53,831.61		
1913	108,245.86	2,630.88	354.54	-6,966.58	926.65	81.79	153,296.68	2,833.58	1,042.59	159,122.78		
1914	132,142.37	7,587.34	1,101.92	15,213.21	1,626.71	204.98	267,786.14	10,075.86	2,524.89	282,380.79		
1915	140,750.10	10,681.48	2,541.65	-23,911.50	2,588.71	430.12	380,253.02	19,799.34	4,889.50	410,445.26		
1916	151,663.02	18,196.52	2,819.27	-40,319.47	4,803.73	846.24	35,890.02	35,890.02	549.93	50,129.90		
1917	169,200.46	23,370.72	4,532.00	-50,844.19	6,857.23	1,450.64	596,946.60	55,511.06	14,596.19	687,823.90		
1918	176,071.58	27,648.72	6,575.11	-83,334.85	7,407.79	1,124.26	682,637.94	76,222.27	20,092.37	806,261.36		
1919	224,562.91	32,936.48	9,513.08	-69,674.41	9,874.14	3,058.87	825,887.84	101,467.13	27,688.53	988,821.53		
1920	272,480.80	42,465.44	7,496.99	\$400.59	99,219.03	12,248.85	4,272.91	989,814.74	133,521.60	36,666.25	1,200,076.44	
1921	307,478.58	52,898.43	7,356.19	-70,122.22	19,834.13	5,900.70	1,210,591.20	176,809.61	51,825.63	1,439,063.57		
1922	367,408.79	65,325.45	16,162.12	-87,389.89	20,299.24	7,744.97	1,466,713.45	229,570.35	67,075.58	1,827,095.86		
1923	404,690.87	82,271.12	11,153.11	945.23	140,923.79	25,626.19	10,434.65	1,710,605.33	229,937.37	82,740.33	2,163,158.67	
1924	443,704.72	98,448.62	9,804.00	2,745.83	127,692.04	31,684.58	12,778.96	2,003,384.45	375,130.87	103,211.44	2,567,712.86	
1925	474,821.44	115,396.18	19,888.83	3,289.23	191,446.16	27,720.65	15,337.06	2,267,274.35	462,386.80	121,120.00	2,939,150.89	
1926	510,791.24	126,421.55	2,145.53	207,183.07	31,281.36	17,920.64	2,608,522.38	557,985.68	135,742.00	3,354,884.11		
1927	562,073.45	146,113.37	24,602.86	3,231.31	176,068.64	42,262.31	20,618.24	2,963,613.57	671,727.15	161,737.00	3,855,584.53	
1928	596,918.82	168,177.11	36,626.36	3,081.79	186,691.10	46,795.19	25,001.10	3,332,893.55	799,227.84	189,304.00	4,381,416.52	
1929	624,882.19	182,003.47	29,682.32	2,418.12	51,439.12	28,397.92	27,204.14	4,944,428.95	1,251,710.00	337,248.69	5,204,977.33	
1930	693,636.33	206,624.46	37,487.30	3,971.84	187,344.83	62,310.53	33,276.08	4,186,233.69	5,610,025.04	5,610,997.33	1,129.00	
1931	755,755.11	234,775.26	50,229.31	3,406.63	166,541.46	46,722.56	38,603.79	4,727,428.45	1,283,131.89	6,370,972.95	112.00%	

"Regular Interest," interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months periods only. Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of each year and is figured on the accumulation of the account on the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i.e., 1931, 3 plus 1½ equals 4½%.

**ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE
STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMON-
WEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE
1, 1912.**

**STATEMENT FOR THE YEAR ENDING DEC. 31, 1931, MADE TO THE COMMISSIONER OF
INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3,
CHAPTER 32, GENERAL LAWS.**

INCOME

Members' deposits	\$755,755 11
Deductions for teachers' retirement board	2,822 05
Interest received on investments (less \$9,553 07 accrued interest paid on securities purchased during the year)	\$758,577 16
Members' deposits used to purchase annuities	255,560 00
Interest on same	12,545 05
Adjustment in book value of securities (amortized values)	46,722 56
Securities sold (gain, selling price over cost)	1,533 66
Received from Commonwealth:	
For payment of pensions for service prior to June 1, 1912	\$121,041 00
For payment of pensions for service subsequent to June 1, 1912	41,202 23
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00
For payment of pensions to members retired for permanent accidental injuries	7,351 99
For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	8,508 85
Under special legislative acts	
To cover loss in annuity reserve 12-31-30	178,304 07
Credited to members' accounts:	
Regular interest at 3% compounded semi-annually	\$162,104 95
Extra dividend at 1½%	72,670 31
	234,775 26
Interest and dividend credited to annuity reserve	11,830 86
For reimbursement of State institutions	\$4,449 37
For salaries	10,382 52
For expenses	989 02
	15,820 91
Adjustment of refunds	
Total income	\$1,503,124 48
Balance December 31, 1930	5,479,619 94
Total	\$6,982,744 42

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$166,541 46
Deposits refunded, including interest, to representatives of deceased members	50,229 31
Adjustment of refunds	11 82
Members' deposits plus interest used to purchase annuities	46,722 56
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment	178,304 07
Annuities paid to members from their contributions	38,603 79
Regular interest and extra dividend credited to members' accounts	234,775 26
Salaries and contingent expenses	15,820 91
Refunds to estates of three deceased annuitants who at the time of their retirement elected the refund annuity option	3,409 63
Adjustment book value of securities (amortized values)	6,771 48
Deposits, Normal School to teachers' retirement board	2,822 05
Interest and dividend credited to annuity reserve	11,830 86
Total disbursements	\$755,843 20
Balance December 31, 1931	6,226,901 22
Total	\$6,982,744 42

LEDGER ASSETS

Investments par value \$6,006,650; amortized value	\$6,217,262 75
Cash	9,638 47
Total ledger assets	\$6,226,901 22

NON-LEDGER ASSETS

Accrued interest on investments	\$83,207 54
Deposits receivable from treasurers of institutions, etc.	58,745 53
Due from Commonwealth, net loss in annuity fund	2,118 66
Gross assets	\$6,370,972 95

LIABILITIES

Deposits of members including \$58,745.53 in hand of agents of the Board	\$4,727,428	45
Regular interest and extra dividends credited to members' accounts	1,283,131	89
Unpaid annuities due Dec. 31, 1931		10 11
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	1,557	59
Annuity Reserve	271,792	00
Annuity reserve (special)		
Surplus (undivided profits)	87,052	91
Total liabilities	\$6,370,972	95

MEMBERSHIP EXHIBIT

Members' accounts:		
Total December 31, 1930	10,582	
Admitted during the year	2,208	
	<hr/>	
Members retired	33	
Members deceased	77	
Members left service	987	
	<hr/>	
	1,097	
	<hr/>	
Active accounts (members contributing on 12-31-31)	11,693	
Accounts payable (former employees not employed 12-31-31) amounting to \$4,684.48		11,417
		276
Total accounts 12-31-31		11,693

Retired members:		
Members retired December 31, 1930	422	
Members retired during year:		
Between 60-70 years age	12	
At age 70	17	
With 35 years' service under age 60	—	
Ordinary disability	1	
Accidental disability	2	
With spouse	1	
	<hr/>	
Retired members who died during year	33	
	<hr/>	
Members retired December 31, 1931	28	
Non-members:		
Pensions to widows account of death of husband from injuries received in line of duty (12-31-30)	11	
Number granted to widows during year	0	
	<hr/>	
Widows deceased during year	11	
	<hr/>	
Total widows on list 12-31-31	11	
Under Sec. 5 (2) C (b)	1	
	<hr/>	
Total on pension roll, December 31, 1931	12	
	<hr/>	
	439	

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1931, to the best of our knowledge and belief.

CHARLES F. HURLEY
ELIZABETH F. MOLONEY
HARRY SCHWARTZMAN, M.D. } *Board of Retirement.*

Subscribed and sworn to before me this sixteenth day of February, 1932.

A. HARRIS PATON,
Justice of the Peace.

SECURITIES DECEMBER 31, 1931

(BONDS AND NOTES)

DESCRIPTION	RATE PERCENT	PAR VALUE	AMORTIZED VALUE DECEMBER 31, 1931
U. S. Liberties 4th	4 1/4	\$317,700.00	\$310,570.31
U. S. Treasury	4 1/4	197,200.00	196,929.15
Akron, Ohio	6	16,000.00	18,722.82
" "	5 1/2	90,000.00	99,455.37
" "	5	57,000.00	59,826.43
" "	4 3/4	25,000.00	26,289.98
" "	4 1/2	25,000.00	25,161.53
" "	4 1/4	25,000.00	25,669.93
Alabama, State of	4 1/2	20,000.00	20,394.05
" "	4 1/4	25,000.00	25,000.00
Athol, Mass.	4	6,000.00	5,978.42
Atlantic City, N.J.	4 1/2	29,000.00	29,652.78
Baltimore, Md.	5	100,000.00	109,421.07
" "	4	25,000.00	24,921.72
Barre, Vt.	4	56,000.00	55,507.56
Bayonne, N.J.	5	10,000.00	10,565.94
" "	4 1/2	60,000.00	61,747.89
" "	4 1/4	29,000.00	29,000.00
Berlin, N.H.	4 1/2	20,000.00	20,558.13
Birmingham, Ala.	5	50,000.00	52,925.03
" "	4 1/2	91,000.00	92,833.61
" "	4 1/4	25,000.00	25,169.73
Boston, Mass.	4 1/4	20,000.00	20,000.00
" "	4	11,000.00	10,834.74
" "	3 1/2	16,000.00	15,533.84
Bridgeport, Ct.	5	10,000.00	11,072.38
" "	4 3/4	8,000.00	8,422.19
Bristol, Ct.	5	20,000.00	21,313.73
" "	4 1/2	11,000.00	11,171.68
Brockton, Mass.	4	5,000.00	4,975.60
" "	3 1/2	13,000.00	12,841.26
Burrillville, R.I.	3 1/2	15,000.00	14,444.85
Cambridge, Mass.	3 1/2	5,000.00	4,640.37
Camden, N.J.	5 1/2	5,000.00	6,243.24
Canton, Ohio	6	20,000.00	23,040.15
" "	5 1/2	27,000.00	29,723.76
" "	5	35,000.00	36,670.83
" "	4 1/4	16,000.00	16,403.75
Cincinnati, Ohio	5	75,000.00	80,333.09
" "	4 1/2	31,000.00	31,142.70
Cleveland, Ohio	5 1/2	75,000.00	82,475.31
" "	5	61,000.00	64,725.74
" "	4 3/4	101,000.00	105,475.44
" "	4 1/2	45,000.00	46,326.27
Columbus, Ohio	5 1/2	11,000.00	12,003.99
" "	5	46,000.00	48,080.58
" "	4 1/2	55,000.00	55,584.80
Cranston, R.I.	4 1/2	44,000.00	44,612.81
" "	4 1/4	32,000.00	32,458.91
" "	4	50,000.00	49,350.39
Dallas, Texas	4 1/2	170,000.00	175,902.63
Danbury, Ct.	3 1/2	5,000.00	4,760.66
Dayton, Ohio	6	25,000.00	29,713.45
" "	5	60,000.00	62,347.67
" "	4 3/4	16,000.00	16,321.23
" "	4 1/2	67,000.00	68,238.37
" "	4	10,000.00	10,144.44
Denver, Colo.	4 1/4	30,000.00	32,501.05
DesMoines, Iowa	5	38,000.00	42,668.05
" "	4	5,000.00	5,000.00
Detroit, Mich.	5 1/4	5,000.00	5,450.09
" "	5	44,000.00	45,001.07
" "	4 1/2	75,000.00	76,848.35
Elizabeth, N.J.	4 1/4	40,000.00	40,539.59
Fall River, Mass.	4 1/4	10,000.00	10,000.00
" "	4	5,000.00	4,952.49
" "	3 1/2	13,000.00	12,130.79
Flint, Mich.	5	18,000.00	18,335.36
" "	4 1/2	30,000.00	30,962.81
" "	4 1/4	4,000.00	4,063.43
Fort Worth, Texas	5	25,000.00	26,759.98
" "	4 1/2	17,000.00	17,819.79
Gardner, Me.	4	25,000.00	24,702.42
Grand Rapids, Mich.	4 1/2	62,000.00	63,261.78
" "	4 1/4	22,000.00	22,031.22
Hamilton, Ohio	5 1/2	9,000.00	9,194.18
Hartford, Ct.	4 1/2	12,000.00	12,062.27
Houston, Texas	5	12,000.00	12,799.41
" "	4 3/4	15,000.00	14,928.43
" "	4 1/2	25,000.00	26,024.06
Illinois, State of	4	25,000.00	24,467.55

DESCRIPTION	RATE PERCENT	PAR VALUE	AMORTIZED VALUE DECEMBER 31, 1931
Jersey City, N.J.	5 1/2	\$85,000.00	\$96,274.19
" "	5	50,000.00	52,491.02
" "	4 3/4	10,000.00	10,683.50
Lansing, Mich.	4 1/2	75,000.00	75,852.78
" "	4 1/4	3,000.00	3,048.94
Lima, Ohio	5	4,000.00	4,034.40
Lourainne, Ohio	5	5,000.00	5,245.03
Les Angeles, Calif.	6	18,000.00	18,222.42
" " "	5	25,000.00	26,780.73
" " " Harbor	4 3/4	20,000.00	21,507.18
Louisiana, State of	5	10,000.00	10,328.27
" " "(Port Com)	4 1/2	37,000.00	38,517.52
" " " "	5	25,000.00	25,292.82
" " " "	4 3/4	133,500.00	142,183.42
Louisville, Ky.	4 1/2	5,000.00	5,149.82
Lynchburg, Va.	5	5,000.00	5,388.04
Medford, Mass.	4 1/2	25,000.00	28,209.84
Michigan, State of	5 1/4	36,000.00	36,905.68
" " "	5	122,000.00	129,326.23
" " "	4 1/2	23,000.00	24,718.00
Minneapolis, Minn.	4 3/4	54,000.00	55,817.88
" " "	4 1/4	8,000.00	8,385.26
" " "	4 1/2	48,000.00	48,355.21
" " "	4	34,000.00	33,422.90
Minnesota, State of	4 3/4	150,000.00	154,556.93
" " "	4 1/4	50,000.00	50,854.46
Missouri, State of	5	55,000.00	56,711.80
" " "	4 1/4	25,000.00	25,678.48
Montgomery, Ala.	5	15,000.00	16,741.27
Muskegon, Mich.	4 1/2	30,000.00	29,932.63
Nashville, Tenn.	5	8,000.00	8,594.09
New Jersey, State of	5	13,000.00	13,944.74
Newark, N.J.	4 1/2	10,000.00	10,064.46
Newport, R.I.	4 1/2	10,000.00	11,035.69
" " "	4 1/4	15,000.00	15,255.53
Newton, Mass.	4	15,000.00	15,211.25
New York, State of	4 1/2	27,000.00	26,074.95
No. Carolina, State of	5	3,000.00	3,000.00
Norwalk, Ct.	4	30,000.00	34,204.31
Oakland, Calif.	4 1/2	1,000.00	984.49
Oregon, State of	5	52,000.00	52,877.36
" " "	4 1/2	10,000.00	10,632.83
" " "	4 1/4	60,000.00	61,620.19
Pasadena, Calif.	4 3/4	20,000.00	20,213.31
Pawtucket R.I.	4 1/2	6,000.00	6,088.57
" " "	4 1/4	10,000.00	10,649.24
Philadelphia, Pa.	4 1/4	10,000.00	10,316.83
Portland, Ore.	5	25,000.00	25,118.34
" " "	4 1/2	5,000.00	5,546.11
" Maine	4 1/4	46,000.00	48,189.03
Providence, R.I.	4 1/2	25,000.00	25,353.05
" " "	4 1/4	25,000.00	26,673.90
" " "	4	25,000.00	24,955.93
Revere, Mass.	4	19,000.00	18,318.10
Richmond, Va.	5	4,000.00	3,975.60
" " "	4 1/2	44,000.00	49,676.54
" " "	4 1/4	25,000.00	26,507.48
Rochester, N.Y.	4 1/2	50,000.00	52,153.51
Russell, Mass.	4	20,000.00	20,025.17
" " "	4 1/2	3,200.00	3,200.00
San Antonio, Texas	5 1/2	1,200.00	1,201.21
" " "	5	25,000.00	27,743.82
San Diego, Calif.	5	10,000.00	10,472.80
San Francisco, Calif.	5	20,000.00	21,106.85
" " "	4 1/2	60,000.00	64,495.77
St. Louis, Mo.	4 1/2	25,000.00	25,662.97
" " "	4 1/4	50,000.00	50,650.20
St. Paul, Minn.	4 1/2	44,000.00	44,262.76
" " "	4 1/2	40,000.00	46,759.03
" " "	4 1/4	4,000.00	4,181.75
" " "	4	10,000.00	10,101.13
Stamford, Ct.	4 1/4	25,000.00	24,536.02
Superior, Wis.	4 1/2	10,000.00	10,127.00
Takoma, Wash.	4 1/2	14,000.00	14,917.62
Tennessee, State of	4 1/4	34,000.00	34,317.12
" " " "	4 3/4	5,000.00	5,561.89
" " " "	4 1/2	50,000.00	51,129.69
Toledo, Ohio	5	20,000.00	20,000.00
" " "	4 3/4	43,500.00	45,222.26
" " "	4 1/2	44,000.00	45,176.36
Trenton, N.J.	5	44,000.00	44,770.29
" " "	4 1/2	17,000.00	18,027.65
Warwick, R. I.	4	20,000.00	20,201.96
Waterbury, Ct.	4 1/2	32,000.00	32,000.00
" " "	4 1/4	15,000.00	15,219.47
		20,000.00	20,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE	AMORTIZED VALUE DECEMBER 31, 1931
West Virginia, State of	4½	\$14,000.00	\$14,288.94
" " "	4¼	100,000.00	101,392.60
" " "	4	21,000.00	20,542.50
Wheeling, West Va.	5	75,000.00	76,947.71
" " "	4	15,000.00	14,841.52
Wilmington, No. Carolina	5	25,000.00	26,931.73
" " "	4½	58,000.00	58,189.83
Woonsocket, R.I.	6	5,000.00	6,335.87
" "	5	5,000.00	5,469.71
Youngstown, Ohio	6	8,000.00	8,549.47
" "	5½	20,000.00	22,169.09
" "	5	15,000.00	15,832.64
" "	4½	20,000.00	20,126.29

NOTES

Blanford, Mass.	4½	\$26,500.00	\$26,500.00
Dracut, Mass. Water Sup. Dist.	5¼	3,600.00	3,600.00
Leyden, Mass.	4¾	5,250.00	5,250.00
Provincetown, Mass.	4¾	4,000.00	4,000.00
Wareham, Mass. Fire Dist.	4¾	4,000.00	4,000.00

\$6,006,650.00

\$6,217,262.75

RECAPITULATION BY MATURITIES

Within five years	\$1,041,350.00
Between five and fifteen years	2,928,600.00
Between fifteen and thirty years	1,958,700.00
Over thirty years	78,000.00

\$6,006,650.00

1860 - 1861

1860 - 1861

1860 - 1861

1860 - 1861

1860 - 1861

1860 - 1861

1860 - 1861

1860 - 1861

1860 - 1861

1860 - 1861

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1932

Department of Treasurer and Receiver-General

MASS.
DOCS.
COLL.

The Commonwealth of Massachusetts
REPORT

DIVISION OF BOARD OF RETIREMENT
STATE HOUSE, BOSTON, November 30, 1932

To the Honorable Senate and House of Representatives:

The twenty-first annual report of the Board of Retirement is herewith presented for your consideration.

No change in the personnel of the Board occurred during the year.

The contributory law has been in operation since January 1, 1912, twenty-one years, and the present fund consists of \$5,311,481.85, which has been deducted from the salaries or wages of the members, and \$1,482,494.49, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on December 31, 1932, amounts to \$6,793,976.34.

The annuity reserve for the payment of annuities to members on the retired list, December 31, 1932, was \$339,409.00, and the gross assets on said date were \$7,239,416.02. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited to active accounts on June 30, 1932, \$82,619.85 as an extra dividend at the rate of one and one-half percent on the dollars standing to the credit of such accounts on September 30, 1931. Regular interest amounting to \$184,158.44 was also credited to members' accounts during the year which plus \$82,619.85 (surplus) made a total distribution of interest amounting to \$266,778.29.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1928, 4 $\frac{3}{4}$ %; 1929, 4 $\frac{1}{2}$ %; 1930, 4 $\frac{1}{2}$ %; 1931, 4 $\frac{1}{2}$ %; 1932, 4 $\frac{1}{2}$ %. The annuity fund is invested according to restrictions and limitations of the statutes in securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of Commonwealths and subdivisions thereof. The accumulated savings refunded to members who left the service during the year ending December 31, 1932 were \$166,287.09, and the amount refunded to the heirs, estates or beneficiaries of members who died before retirement was \$47,112.25, and after retirement was \$7,942.71. There was also paid during said year in annuities \$44,852.45 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) the first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January 1912) was 3,324, and the contributing members on December 31, 1932, were 12,371; males, 7,049; females, 5,322. There are 279 accounts payable to former members who left the service between 1912-1932, inclusive, present address unknown, amounting to \$4,908.87.

TABLE 1
STATISTICS RELATING TO EMPLOYEES RETIRED DURING YEAR ENDING
NOVEMBER 30, 1932

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary . . .	2	50.00	19.00	\$1,007.92	\$45.30	\$252.66	\$297.96
Accidental . . .	3	63.33	19.33	2,121.00	192.72	769.34	962.06
Retirements (Age and Service) .	50	68.26	30.54	2,141.46	209.50	567.84	777.34
Retirements with Spouse . .	1	57.00	19.00	888.00	51.60	60.72	112.32
Total for year . . .	56	67.14	29.32	\$2,077.50	\$199.92	\$558.33	\$758.25

When a member is retired he receives a **Retirement Allowance**. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto during service) plus **Pension** (paid by the State). Spouse: when a husband or wife retires the spouse may also retire at the same time simply on the right acquired by the other. The retirement allowance is based on the service rendered, etc., with no minimum.

During the year ending November 30, 1932, 1,904 new employees became members of the Association and 961 left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 56 persons during the year; 28 by reason of reaching the age of 70; 2 for ordinary disability; 3 for permanent disability resulting from accidental injury in line of duty; 1 under age sixty who had completed thirty-five years of service retired voluntarily; 21 between sixty and seventy years of age upon their request, and 1 wife retired with her husband. A spouse under the retirement age has the right to retire on the day the other retires or is retired. The total of the retiring allowances of the 56 employees retired during the year ending November 30, 1932, is \$42,461.79. Of this amount, \$11,195.36 was annuity derived from the contributions made by the members before retirement and the balance of \$31,266.43 was pension paid from State appropriations. No applications were presented for pensions to widows of members on account of the death of the husband from injuries received in line of duty.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Eleven payments are now being made under this law. The largest payment to a widow is \$990.00; the average is \$773.54.

TABLE 2

TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1932
(AGE NEAREST BIRTHDAY)
Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males	37	30	21	23	18	22	23	34	26	25	18	292	569
Females	29	23	16	8	16	9	17	10	5	18	8	62	221
Totals	66	53	37	31	34	31	40	44	31	43	26	354	790

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 784 members and 6 non-members, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 11. Since retirement 332 members and 5 non-members have died, so that retirement allowances are now being paid to 453 former employees. Of this number 175 were retired at the age of seventy or over; 220 were retired upon their request between sixty and seventy years of age; 15 were retired with 35 years of service under age sixty; 6 were wives retired at time of retirement of husbands; 22 were retired for ordinary permanent disability; 14 were retired for permanent accidental disability because of such injuries received in the line of duty. In addition 1 non-member who was over fifty-five years of age when the retirement law was passed and who was retired upon the request of the department in which he was employed is now receiving the minimum payment.

TABLE 3

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1932, ACCORDING TO AGE LAST BIRTHDAY (WIDOWS EXCLUDED)

Age	No.	Age	No.	Age	No.	Age	No.
41	1	55	1	68	12	81	11
42	1	56	1	69	15	82	7
44	-	57	5	70	42	83	8
45	1	58	-	71	36	84	2
46	-	59	2	72	35	85	3
47	1	60	5	73	38	86	2
48	2	61	3	74	26	87	5
49	-	62	7	75	27	88	2
50	-	63	9	76	21	89	-
51	-	64	7	77	16	90	1
52	-	65	13	78	21	91	-
53	2	66	12	79	20	92	-
54	1	67	17	80	11	93	1
						Total	453

The average age of persons on the retired list is 72.23 years.

During the year ending November 30, 1932, \$188,311.00 was paid as pensions to persons upon the retired list as compared with \$178,078.55 for the previous year and in addition the state paid \$2,118.64 covering the net loss to maintain the annuity reserve on December 31, 1931. The largest retirement allowance being paid to an individual is \$2,250.00 composed of an annuity paid from the savings of the retired member of \$260.64 and a pension paid by the State of \$1,989.36. The average retirement allowance paid to retired employees on the list November 30, 1932, is \$526.77. The total annual retirement allowances of persons on the list November 30, 1932, is \$247,135.83, divided as follows; annuity, \$48,424.89; pensions, \$198,710.94 (widows' pensions, \$8,508.85, included).

The retirement system has 686 members who may voluntarily retire during the coming fiscal year; and 53 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates for the amount of appropriations required to pay the cost of pensions for the next fiscal year upon experience it has gained that 4% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$14,700 in addition to the amount of pensions in force on November 30, 1932. The Board has requested an appropriation of \$213,400.00 to cover the cost of pensions for the year ending November 30, 1932.

TABLE 4

ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR MAINTENANCE OF PENSION SYSTEM, 1912-1932 (NOV. 30th)

Year	Cost of Pensions, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners	Year	Cost of Pensions, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners
1912	\$5,343 71 ²	\$5,082 66	\$10,426 37	43	1923	\$98,294 23	\$11,559 40	109,853 63	294
1913	17,576 31	6,619 37	24,195 68	75	1924	110,346 84	12,054 23	122,401 07	329
1914	24,955 18	7,996 22	32,951 40	98	1925	120,010 05	12,373 90	132,383 95	342
1915	30,433 91	8,995 45	39,433 36	118	1926	128,330 75	12,647 23	140,977 98	352
1916	36,753 78	9,725 32	46,479 13	138	1927	133,028 54	14,010 04	147,038 58	377
1917	43,944 47	9,421 15	53,365 62	163	1928	149,401 42	13,641 45	163,042 87	399
1918	50,094 87	9,074 21	59,169 08	174	1929	158,133 44	14,737 52	172,870 96	416
1919	56,052 47	10,289 20	66,341 67	197	1930	167,230 87	15,430 53	182,661 40	433
1920	63,125 37	11,786 93	74,912 30	210	1931	178,078 55	15,841 10	193,919 65	438
1921	72,301 18	10,790 65	83,091 83	243	1932	190,429 64	15,696 81	206,126 45	464
1922	83,556 88	10,937 70	94,494 58	263					

¹The reimbursement is made to show the estimated additional cost of bookkeeping caused by the operation of the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the State as yearly income and the amount of such income paid to thirty-nine institutions and schools in 1932 was \$4,467.93.

²Cost for 6 months. (First pension was paid 6-1-1912).

The expenses of the administration of the system for the year were: Salaries, \$10,500.38; contingent expenses, \$728.70; reimbursement to institutions for making deductions from members' salaries, etc., \$4,467.73. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system (See foot note Table 4).

TABLE 5

ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR PENSIONS PAID TO EMPLOYEES RETIRED FROM THE METROPOLITAN DISTRICT SERVICE
Year 1932

PARK DIVISION				SEWER DIVISION		WATER DIVISION	TOTAL
Park Maintenance	Boulevards ¹	Charles River Basin	Wellington Bridge	North System	South System		
\$6,382.21	\$1,220.36	\$1,446.63	\$201.03	\$4,780.50	\$3,266.79	\$11,064.06	\$28,361.58

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Metropolitan District. Such assessments become a part of the general revenue of the Commonwealth in the year in which the assessments are made.

¹An equal amount was paid by the State without Reimbursement. The first reimbursement was made in 1928, covering 1922-1927 inclusive, \$100,143.65; 1929, \$23,514.51; 1930, \$25,061.62; 1931, \$26,176.73.

The annual cost of pensions as given in table 4 is the gross cost of all pensions including the amount paid to employees retired from the service of the Metropolitan District Commission. The net cost of pensions paid to employees retired from the direct service of the commonwealth is the difference between the amount stated in table 4 and the reimbursement made to the state in the following year as given in table 5. The reimbursement in 1932 covers the cost for 1931.

REQUIREMENTS FOR RETIREMENTS

1. Any time between ages 60 and 70 with 15 or more years service.
2. Any age with 15 years service for ordinary permanent disability.
3. Any age with 35 years service.
4. Compulsory retirement at age 70.
5. Any time after membership in retirement association for permanent disability resulting from an injury received in an accident while in the discharge of duty without fault of the member.

DEATH BENEFIT

If an accidental injury received by a member in the discharge of his duty results in his death, his widow will receive during her widowhood a pension of one-half the member's rate of salary at the time of the injury, or, if there is no widow the amount is paid for the benefit of a child or children while under sixteen years of age.

LAWS PASSED BY THE GENERAL COURT DURING THE SESSION OF 1932 AMENDING OR REVISING THE GENERAL LAWS

CHAPTER 268, ACTS OF 1932.

This amendment (1) increases the cash value of full or complete boarding and housing from \$5.00 per week to \$7.00 per week and (2) also includes every position in the service where such a non-cash allowance is received as part of the total compensation.

Heretofore the law provided a non-cash allowance of \$5.00 per week for an institution employee. Now an employee of a State department will accumulate assessments from his full compensation and thus increase the size of his annuity at retirement, and if he is unfortunate and receives a permanent disability resulting from accidental injuries, will be paid a retirement allowance of one-half of the sum of his cash rate of pay plus the maintenance allowance of approximately \$365; where heretofore the value of the non-cash allowance was only for institution employees and at the rate of \$260. per year.

Respectfully submitted,

CHARLES F. HURLEY, *Chairman*
ELIZABETH F. MOLONEY
HARRY SCHWARTZMAN, M.D.

TABLE 6
COMPARATIVE STATEMENT OF MEMBERSHIP, AS OF NOVEMBER 30

YEAR	Members Admitted during Year	REFUNDS	NUMBER PENSIONS						MEMBERSHIP						RETIRED		
			PERMANENT DISABILITY OR DEATH			35 or More Years Service Under Age 60 ²			Accidental Injuries received in performance of duty			Ordinary			Retirement with Spouse		
			All Members	Others	De- pend- ents ³	Volun- tary (age 60 to 70)	Com- pul- sory (age 70)	Wife	Hus- band	Wife	Hus- band	Wife	Hus- band	Wife	Mem- bers	Non- Mem- bers	Mem- bers
	*3,324																
1912	181	12	327	—	—	—	20	25	—	—	—	—	—	45	3,121	2	43
1913	1,522	21	568	—	—	—	26	8	—	—	—	—	—	36	4,020	4	75
1914	1,630	19	820	—	—	—	21	6	—	—	—	—	—	28	4,783	5	97
1915	1,686	29	1,017	—	—	—	14	8	—	—	—	—	—	24	5,399	4	117
1916	1,445	30	1,339	—	—	—	15	10	—	—	—	—	—	28	5,448	8	137
1917	1,361	33	1,168	—	—	—	18	14	—	—	—	—	—	36	5,573	12	161
1918	1,360	40	1,446	—	—	—	14	6	—	—	—	—	—	24	5,423	12	173
1919	1,910	65	1,125	—	—	—	15	11	—	—	—	—	—	31	6,113	9	195
1920	1,679	38	1,445	—	—	—	2	1	—	—	—	—	—	28	6,282	16	207
1921	1,752	35	958	—	—	—	1	1	14	10	—	—	—	44	6,997	11	240
1922	2,014	55	1,270	—	—	—	1	3	22	18	—	—	—	37	7,649	16	261
1923	1,616	34	1,570	—	—	—	2	1	22	12	—	—	—	48	7,613	16	293
1924	1,971	35	1,224	—	—	—	4	3	22	19	—	—	—	51	8,274	16	328
1925	1,781	40	1,610	1	2	4	2	2	28	16	—	—	—	35	8,370	22	341
1926	1,867	57	1,417	2	—	3	1	14	17	—	—	—	—	37	8,726	30	348
1927	1,820	54	1,256	3	—	5	—	17	20	—	—	—	—	45	9,191	22	371
1928	1,770	57	1,343	1	3	1	—	14	24	—	—	—	—	40	9,521	21	390
1929	1,757	38	1,295	3	—	1	1	18	17	—	—	—	—	41	9,904	24	407
1930	1,783	52	1,119	1	3	1	1	1	21	20	—	—	—	44	10,472	30	421
1931	2,271	73	960	2	—	1	—	10	18	1	—	—	—	32	11,678	27	426
1932	1,904	70	891	3	—	2	1	21	28	1	—	—	—	56	12,565	30	452
Totals				17	11	41	16	375	328	7	—	6	790	—	337	—	—

*Enrollment Membership, Feb. 1, 1912, 3,324. Membership Nov. 30, 1932, Males 7,019; Females, 5,249; plus 297 accounts payable.

¹Payments to widow during widowhood, or to no widow, for benefit of child or children while under sixteen years of age, if death is the natural and proximate result of accidental injuries occurring in performance and within the scope of duty.

²Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

³Active Accounts are present employees and Accounts payable are unpaid accounts of deceased members and unclaimed accounts of former members whose present address is unknown.

Number of unpaid Accounts Dec. 31, 1932 — deceased members 18, \$7,761.18; all others 279, \$4,908.87.

ANNUAL RETIREMENT ALLOWANCE

Each retired member receives an annual income called *Retirement Allowance* which is guaranteed for life without change. *The Retirement Allowance consists of Two Parts:* — *Annuity and Pension.* **Annuity** — The annuity is purchased on the basis of regular life insurance tables by the amount which the retiring member has to his credit in the annuity fund. A member has a choice *At the time of Retirement* of taking (a) life annuity or (b) cash refund annuity, and he must then choose the one best suited to his particular case. If the annuitant lives to receive annuity payments equal to the purchase price the income will continue throughout the life time of the annuitant irrespective of how long he may live thereafter.

(a) *Life Annuity.* This form of annuity gives the largest life income provided by the law. It is paid for life and all payments cease upon death.

(b) *Cash Refund Annuity.* The annuity payments under this form are payable for life and if the member dies before the sum of the annuity payments which he has received equals the amount of his account used to purchase the annuity at the date of his retirement the difference will be paid in one sum to his estate or his beneficiary as the case may be. The annuity payments under this form are less than under option (a).

Maximum Assessment. The maximum yearly assessment which the law allows a member to pay to the annuity fund from his salary is 5% of the salary received up to but not exceeding \$35.00 per week or \$91.00 per year. Such assessments plus interest represent a compulsory savings account.

TABLE 7

TOTAL ANNUITIES TO EMPLOYEES RETIRED DURING EACH YEAR ENDING
NOVEMBER 30th

(See Table 1 for average retirement allowance for 1932)

YEAR	BASIS FOR RETIREMENT		TOTAL ANNUITIES			DURING YEAR	
	Age and Service (15 or More Years Service)	PERMANENT DISABILITY		Granted During Year	Released by Deaths During Year	In Force November 30th	*Average Annuity Purchased A/c Service
		Ordinary	Accidental				
1928 .	\$5,467 20	\$44 88	\$179 64	\$5,691 72	\$1,343 82	\$26,800 91	\$143 87
1929 .	5,435 28	54 24	469 92	5,959 44	1,925 19	30,835 16	145 35
1930 .	6,942 60	61 20	265 80	7,269 60	1,844 25	36,260 51	165 30
1931 .	5,318 52	87 24	109 80	5,515 56	1,861 79	39,914 28	187 23
1932 .	10,526 60	90 60	578 16	11,195 36	2,684 75	48,424 89	199 92

The Retirement Association was organized June 1, 1912 and the Annuities cover only the period of service during which the Employee was a contributing member since said date.

*The Average Retirement allowance is the sum of the average annuity Table 7, and the average pension Table 8.

PENSION

The Pension is a definite amount guaranteed for life without change in amount. It is paid from State appropriations and is equal to the annuity under option (a) to which the member was entitled from his own account. In order to make this annual payment, the State must create a fund as large as the member provides for himself. The employee and the State will each provide one-half of the Retirement Allowance Benefit. The pension is not reduced if the member chooses the option (b) annuity.

TABLE 8
TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH
(See Table 1 for Average Retirement Allowances for 1932)

YEAR	AMOUNT OF PENSIONS GRANTED			Permanent Disability or Death Resulting from Accidental Injuries	*Average Pension to Employees Retired for Age and Service	TOTAL ANNUAL		Annual Pensions in Force Nov. 30th
	(A) Service Prior to June 1, 1912	(B) Service after June 1, 1912 *	(C) To make Minimum Retirement Allowance	Pensions to Members	Pensions to Widows, etc.	Granted during Year	Released by Deaths during Year	
1928	\$10,995.88	\$6,301.08	\$1,413.80	\$520.36	\$2,100.00	\$485.92	\$21,331.12	\$153,429.10
1929	9,374.38	6,169.92	1,345.34	2,118.96	-	461.92	19,008.60	162,590.48
1930	10,365.24	8,037.84	1,873.08	754.20	2,730.00	477.21	23,760.36	175,622.26
1931	5,176.92	6,085.92	1,045.80	1,511.76	-	422.64	13,820.40	179,671.06
1932	15,600.67	12,103.92	1,253.76	2,308.08	8	567.84	31,266.43	12,226.55

At retirement a member receives a **retirement allowance**. A retirement allowance is composed of two parts; **Pension** (paid by the State) plus **Annuity** (paid from contributions plus interest credited to the member's account during his service). (*See Table 1.*) Members began to contribute from salary or wages June 1, 1912, and the pension for service after 6-1-1912 is equivalent to the annuity purchased by the member without refund provisions. The entire cost of the retirement allowance (pension plus annuity) for service prior to 6-1-1912 is paid by the state. If the sum of pensions (A plus B) added to the **Annuity** (paid from member's savings plus interest additions) does not exceed \$300, the State pays the additional pension (C) to make a minimum retirement allowance of not less than \$300 for less than twenty-five years of service. Any member retired after September, 1929, with twenty-five or more years service, who paid 5% assessments for all service will receive a retirement allowance not less than \$480.

*The average retirement allowance is the sum of the average annuity Table 7, and the average pension Table 8.

TABLE 9
COMPARATIVE FINANCIAL STATEMENT AS OF DECEMBER 31st

Year	Deposits Received During the Year	Interest and Surplus Credited to Members' Accounts during the Year	Refunds of Deposits and Interest		Annuities		Contributing Members		Reserve for Payment of Annuities to Retired Members	Gross Assets	Rate of Surplus Credited to Members' Accounts	
			To Estate or Beneficiary		Deposits to Members Who Left the Service		Paid During Year to Retired Members	Net Deposits				
			Before Retirement	After Retirement	Deposits of Members Retired During Year to Purchase	Deposits of Members Retired During Year to Purchase	Deposits of Members Retired During Year to Purchase	Net Interest				
1912	\$54,737.11	\$278.74	\$22.73	\$1,352.23	\$149.60	\$3.67	\$53,212.55	\$278.74	\$149.53	\$53,831.61	-	
1913	108,255.86	2,630.88	354.54	6,966.58	926.65	81.79	153,296.68	2,833.58	1,042.59	159,122.78	11.5%	
1914	132,142.70	7,587.34	1,101.92	15,213.21	1,626.71	204.98	267,786.14	10,075.86	2,524.89	282,380.79	11.5%	
1915	140,750.10	10,681.48	2,541.65	23,911.50	2,588.71	430.12	380,253.02	19,799.34	4,889.50	410,455.26	11.2%	
1916	151,663.02	18,196.52	2,819.27	-	40,319.47	4,803.73	846.24	485,953.61	35,890.02	8,602.71	549,954.50	11.2%
1917	169,200.46	23,370.72	4,532.00	-	50,844.19	6,857.23	1,450.64	596,946.60	55,511.06	14,596.19	687,823.90	11.2%
1918	176,071.58	27,648.72	6,575.11	-	83,334.85	7,407.79	2,124.26	682,637.94	76,222.27	20,092.37	806,261.36	11.2%
1919	224,562.91	32,993.48	9,513.08	-	69,674.41	9,874.14	3,058.87	825,887.84	101,467.13	27,688.53	1,256.62	-
1920	272,480.80	42,465.44	7,496.99	\$400.59	12,248.45	4,272.91	989,814.74	133,212.60	36,666.25	988,821.53	1,256.62	
1921	308,478.58	52,898.43	7,356.19	-	70,122.22	19,834.13	5,900.70	1,210,591.20	176,809.61	51,825.63	1,489,063.57	11.4%
1922	367,408.79	65,325.45	16,162.12	-	87,389.89	20,299.24	7,744.97	1,466,713.45	229,570.35	58,072.05	1,827,095.86	11.4%
1923	404,690.87	82,271.12	11,153.11	945.23	140,923.79	25,626.19	10,434.65	1,710,605.33	294,937.37	82,740.33	2,163,158.67	11.2%
1924	443,704.72	98,448.62	9,804.00	2,745.83	127,692.04	31,684.58	12,778.96	2,003,384.5	375,130.87	103,211.44	2,567,712.86	11.2%
1925	474,821.44	11,5396.18	19,888.83	3,299.23	191,446.16	15,337.06	2,267,74.35	462,384.80	121,120.00	2,939,150.89	2,070.00	-
1926	510,791.24	126,421.55	34,866.53	2,145.53	207,183.07	31,281.36	17,920.64	2,608,522.38	557,985.68	135,742.00	3,354,894.11	11.2%
1927	562,073.45	146,113.37	24,602.86	3,231.31	176,068.64	42,262.31	20,618.24	2,963,613.57	671,727.15	161,737.00	3,855,584.53	11.4%
1928	596,918.82	168,177.11	36,626.36	3,081.79	186,691.10	46,795.19	25,001.10	3,332,893.55	79,222.84	189,304.00	4,381,416.52	11.4%
1929	624,882.19	182,003.47	29,682.32	2,418.12	200,955.78	51,439.12	28,397.92	3,721,204.14	93,724.95	215,171.00	4,944,428.98	11.2%
1930	693,636.33	206,624.46	37,487.30	3,971.84	187,344.83	62,310.53	33,276.08	4,186,233.69	1,094,577.04	254,025.00	5,610,997.33	11.2%
1931	755,755.11	234,775.26	50,229.31	3,409.63	166,541.46	46,722.56	38,603.79	4,777,428.45	1,283,131.89	271,792.00	6,370,972.95	11.2%
1932	824,097.14	266,778.29	47,112.25	7,942.71	166,287.09	102,417.35	44,852.45	5,311,481.85	1,482,494.49	339,409.00	7,239,416.02	11.2%

"Regular Interest," interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months periods only." Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of each year and is figured on the accumulation of the account on the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i.e., 1932, 3 plus 1½ equals 4 ½%.

**ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF
THE STATE EMPLOYEES' RETIREMENT SYSTEM OF THE
COMMONWEALTH OF MASSACHUSETTS. CONTRIBUTIONS
BEGAN JUNE 1, 1912.**

STATEMENT FOR THE YEAR ENDING DEC 31, 1932, MADE TO THE COMMISSIONER OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3, CHAPTER 32, GENERAL LAWS.

INCOME

Members' deposits	\$824,097 14
Deductions for teachers' retirement board	2,807 15
Interest received on investments (less \$7,790.04 accrued interest paid on securities purchased during the year)	\$826,904 29
Members' deposits used to purchase annuities	279,501 69
Interest on same	\$71,867 15
	30,550 20
Adjustment in book value of securities (amortized values)	102,417 35
Securities sold (gain, selling price over cost)	11,050 08
Received from Commonwealth:	
For payment of pensions for service prior to June 1, 1912	\$124,389 35
For payment of pensions for service subsequent to June 1, 1912	48,009 87
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00
For payment of pensions to members retired for permanent accidental injuries	8,872 20
For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	8,508 85
Under special legislative acts	
To cover loss in annuity reserve 12-31-32	2,118 64
	192,098 91
Credited to members' accounts:	
Regular interest at 3% compounded semi-annually	\$184,158 44
Extra dividend at 1½%	82,619 85
	266,778 29
Interest and dividend credited to annuity reserve	13,752 00
For reimbursement of State institutions	\$4,467 73
For salaries	10,493 92
For expenses	737 94
	15,699 59
Adjustment of refunds	
Total income	\$1,708,202 20
Balance December 31, 1931	6,226,901 22
Total	\$7,935,103 42

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$166,287 09
Deposits refunded, including interest, to representatives of deceased members	47,112 25
Adjustment of refunds	20
Members' deposits plus interest used to purchase annuities	102,417 35
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment	189,980 27
Annuities paid to members from their contributions	44,852 45
Regular interest and extra dividend credited to members accounts	266,778 29
Salaries and contingent expenses	15,699 59
Refunds to estates of ten deceased annuitants who at the time of their retirement elected the refund annuity option	7,942 71
Adjustment book value of securities (amortized values)	11,868 81
Deposits, Normal School to teachers' retirement board	2,807 15
Interest and dividend credited to annuity reserve	13,752 00
Total disbursements	869,498 16
Balance December 31, 1932	7,065,605 26
Total	\$7,935,103 42

LEDGER ASSETS

Investments par value \$6,821,000; amortized value	\$7,022,666 93
Cash	42,938 33
Total ledger assets	\$7,065,605 26

NON-LEDGER ASSETS

Accrued interest on investments	\$103,636 70
Deposits receivable from treasurers of institutions, etc.	67,102 79
Due from Commonwealth, net loss in annuity fund	3,071 27
Gross assets	\$7,239,416 02

LIABILITIES

Deposits of members including \$67,102.79 in hand of agents of the Board	\$5,311,481 85
Regular interest and extra dividends credited to members' accounts	1,482,494 49
Unpaid annuities due Dec. 31, 1932	11 36
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	384 80
Annuity Reserve	339,409 00
Annuity reserve (special)	
Surplus (undivided profits)	105,634 52
Total liabilities	\$7,239,416 02

MEMBERSHIP EXHIBIT

Members' accounts:

Total December 31, 1931	11,693
Admitted during the year	1,961
	<hr/>

Members retired	59
Members deceased	62
Members left service	865
	<hr/>
	986

	<hr/>
Active accounts (members contributing on 12-31-32)	12,668

Accounts payable (former employees not employed 12-31-32) amounting to \$12,670.10.	297
	<hr/>

Total accounts 12-31-32	12,668
	<hr/>

Retired members:

Members retired December 31, 1931	427
	<hr/>

Members retired during year:	
Between 60-70 years age	19
At age 70	33
With 35 years' service under age 60	1
Ordinary disability	2
Accidental disability	3
With spouse	1
	<hr/>
	59

Retired members who died during year	30
	<hr/>

Members retired December 31, 1932	456
	<hr/>

Non-members:	
Pensions to widows account of death of husband from injuries received in line of duty (12-31-31)	11
Number granted to widows during year	0
	<hr/>

Widows deceased during year	0
	<hr/>
Total widows on list 12-31-32	11
Under Sec 5 (2) C (b)	1
	<hr/>

Total on pension roll, December 31, 1932	468
	<hr/>

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1932, to the best of our knowledge and belief.

CHARLES F. HURLEY
ELIZABETH F. MOLONEY
HARRY SCHWARTZMAN, M.D. } *Board of Retirement.*

A. HARRIS PATON,
Justice of the Peace.

Subscribed and sworn to before me this eighteenth day of February, 1933.

SECURITIES DECEMBER 31, 1932

BONDS

DESCRIPTION	RATE PERCENT	PAR VALUE	AMORTIZED VALUE DECEMBER 31, 1932
U. S. Liberties 4th	4 1/4	\$62,700.00	\$61,474.41
U. S. Treasury	4 1/4	197,200.00	196,942.35
Akron, Ohio	6	16,000.00	18,585.13
" "	5 1/2	90,000.00	98,874.16
" "	5	57,000.00	59,651.29
" "	4 3/4	25,000.00	26,219.12
" "	4 1/2	25,000.00	25,143.47
" "	4 1/4	25,000.00	25,662.42
Alabama, State of	4 1/2	20,000.00	20,384.61
" "	4 1/4	25,000.00	25,000.00
Athol, Mass.	4	6,000.00	5,992.66
Atlantic City, N. J.	4 1/2	29,000.00	29,600.84
Baltimore, Md.	5	100,000.00	108,992.03
" "	4	25,000.00	24,943.78
Barre, Vt.	4	56,000.00	55,539.11
Bayonne, N.J.	5	10,000.00	10,541.13
" "	4 1/2	60,000.00	61,639.90
Berlin, N.H.	4 1/4	29,000.00	29,000.00
Birmingham, Ala.	4 1/2	20,000.00	20,521.17
" "	5	50,000.00	52,762.50
Boston, Mass.	4 1/4	91,000.00	92,643.35
" "	4 1/4	25,000.00	25,113.49
Boston Met. District	4 3/4	300,000.00	294,906.00
Bridgeport, Ct.	5	10,000.00	11,020.31
Bristol, Ct.	4 3/4	8,000.00	8,403.40
Brockton, Mass.	5	20,000.00	21,274.59
" "	4 1/2	11,000.00	11,150.13
Burrillville, R.I.	3 1/2	5,000.00	4,979.64
Cambridge, Mass.	3 1/2	12,000.00	11,916.38
" "	3 3/4	15,000.00	14,505.97
Camden, N.J.	3 1/2	20,000.00	20,401.54
Canton, Ohio	5 1/2	5,000.00	4,660.48
" "	6	20,000.00	22,876.54
" "	5 1/2	39,000.00	41,850.00
" "	5	35,000.00	36,579.10
Cincinnati, Ohio	4 1/4	16,000.00	16,363.13
" "	5	75,000.00	79,892.33
Cleveland, Ohio	4 1/2	31,000.00	31,113.69
" "	5 1/2	75,000.00	82,127.82
" "	5	61,000.00	64,425.67
" "	4 3/4	101,000.00	105,241.96
Columbus, Ohio	4 1/2	45,000.00	46,251.09
" "	5 1/2	11,000.00	11,915.44
" "	5	40,000.00	41,888.24
Cranston, R. I.	4 1/2	69,000.00	69,163.53
" "	4 1/2	44,000.00	44,523.55
" "	4 1/4	32,000.00	32,431.10
Dallas, Texas	4 1/2	50,000.00	49,392.05
Danbury, Ct.	3 1/2	170,000.00	175,646.76
Dayton, Ohio	6	5,000.00	4,781.06
" "	5	25,000.00	29,548.82
" "	5	35,000.00	37,172.55
" "	4 3/4	16,000.00	16,285.54
" "	4 1/2	62,000.00	63,140.38
" "	4	10,000.00	10,140.04
Dennis, Mass.	4	10,000.00	9,266.36
Denver, Colo.	4 1/4	30,000.00	32,447.60
DesMoines, Iowa	5	38,000.00	42,522.69
" "	4	5,000.00	5,000.00
Detroit, Mich.	5 1/4	5,000.00	5,416.15
" "	5	44,000.00	44,856.36
Elizabeth, N.J.	4 1/2	75,000.00	76,740.48
Fall River, Mass.	4 1/4	40,000.00	40,509.58
" "	4 1/4	10,000.00	10,000.00
" "	4	5,000.00	4,963.09
Flint, Mich.	3 1/2	13,000.00	12,183.20
" "	5	18,000.00	18,308.93
" "	4 1/2	30,000.00	30,865.90
Fort Worth, Texas	4 1/4	4,000.00	4,060.00
" "	5	25,000.00	26,678.51
Gardiner, Me.	4 1/2	17,000.00	17,803.08
Grand Rapids, Mich.	4 1/2	25,000.00	24,847.81
" "	4 1/2	62,000.00	63,183.01
Hamilton, Ohio	4 1/4	22,000.00	22,019.35
Hartford, Ct.	5 1/2	9,000.00	9,123.87
Haverhill, Mass.	4 1/2	12,000.00	12,028.56
	3 3/4	5,000.00	4,680.53

DESCRIPTION	RATE PERCENT	PAR VALUE	AMORTIZED VALUE DECEMBER 31, 1932
Holyoke, Mass.	4 1/2	\$4,000.00	\$4,000.00
" "	4	9,000.00	8,869.95
Houston, Texas	5	12,000.00	12,723.43
" "	4 3/4	15,000.00	14,947.66
" "	4 1/2	25,000.00	25,991.74
Illinois, State of	4	25,000.00	24,480.69
Jersey, City, N.J.	5 1/2	85,000.00	95,712.74
" "	5	50,000.00	52,404.78
Lansing, Mich.	4 3/4	10,000.00	10,583.36
Lawrence, Mass.	4 1/2	75,000.00	75,814.88
Lima, Ohio	4 1/4	3,000.00	3,044.88
Lorain, Ohio	4 1/2	50,000.00	51,680.73
Los Angeles, Calif.	6	25,000.00	26,547.49
" " " Harbor	5	20,000.00	21,429.02
Louisiana, State of	4 3/4	37,000.00	38,399.65
" " " (Port Com)	4 1/2	25,000.00	25,285.70
Louisville, Ky.	5	133,500.00	141,863.37
Lynchburg, Va.	4 1/2	5,000.00	5,145.04
Medford, Mass.	5	5,000.00	5,374.13
Michigan, State of	4 1/2	25,000.00	28,129.72
" " "	5	36,000.00	36,853.70
Minneapolis, Minn.	5 3/4	122,000.00	128,705.29
" " "	5	48,000.00	49,695.21
Minnesota, State of	4 1/2	54,000.00	55,683.39
" " "	4 1/2	73,000.00	75,718.11
" " "	4 1/2	47,000.00	47,240.12
" " "	4	40,000.00	39,393.22
Minnesota, State of	4 3/4	150,000.00	154,260.22
Missouri, State of	4 1/2	50,000.00	50,795.64
" " "	5	55,000.00	56,402.40
Montgomery, Ala.	4 1/4	25,000.00	25,642.80
Muskegon, Mich.	5	15,000.00	16,702.36
Nashville, Tenn.	4	30,000.00	29,935.67
Newark, N.J.	5 1/2	35,000.00	31,333.23
New Jersey, State of	5	8,000.00	8,563.33
Newport, R.I.	4 1/2	10,000.00	10,926.06
Newton, Mass.	4 1/2	10,000.00	10,057.24
New York, State of	4	23,000.00	24,354.56
No. Carolina, State of	4 1/2	80,000.00	81,589.67
Norwalk, Ct.	5	15,000.00	15,220.93
Oakland, Calif.	4	1,000.00	1,189.62
Oregon, State of	4 1/2	52,000.00	52,855.31
" " "	5	10,000.00	10,571.36
Pasadena, Calif.	4 1/2	60,000.00	61,440.87
Pawtucket, R.I.	4 1/2	20,000.00	20,171.47
Philadelphia, Pa.	4 1/4	6,000.00	6,065.14
Portland, Ore.	5	30,000.00	34,129.83
" Maine	4 1/2	1,000.00	986.35
Providence, R.I.	4 1/2	46,000.00	48,058.76
" "	4 1/2	25,000.00	25,371.21
Revere, Mass.	4	25,000.00	26,666.98
Richmond, Va.	5	35,000.00	34,886.81
" "	4 1/2	19,000.00	18,355.50
Rochester, N.Y.	4 1/2	2,000.00	1,994.87
Russell, Mass.	4 1/2	44,000.00	49,534.37
" "	4 1/2	25,000.00	26,484.94
San Antonio, Texas	5 1/2	50,000.00	52,114.26
San Diego, Calif.	5	70,000.00	73,942.11
San Francisco, Calif.	5 3/4	600.00	600.32
" "	5	2,400.00	2,400.00
" " " (City and County)	4 1/2	25,000.00	27,686.06
Seattle, Wash.	5	10,000.00	10,447.98
Somerville, Mass.	4	20,000.00	21,024.13
Springfield, Mass.	3 3/4	35,000.00	41,232.54
St. Louis, Mo.	4 1/2	50,000.00	53,238.95
" " "	4 1/4	25,000.00	25,589.46
St. Paul, Minn.	5 1/2	10,000.00	10,951.48
" " "	4 1/2	58,000.00	61,040.48
" " "	4	23,900.00	23,363.89
" " "	3 3/4	73,000.00	77,269.08
" " "	4 1/2	50,000.00	50,577.52
" " "	4 1/4	44,000.00	44,237.41
Stamford, Ct.	5 1/2	40,000.00	46,529.83
" " "	4 1/2	4,000.00	4,168.90
" " "	4 1/4	10,000.00	10,095.29
" " "	4	25,000.00	24,580.28
	4 1/4	10,000.00	10,122.24

DESCRIPTION	RATE PERCENT	PAR VALUE	AMORTIZED VALUE DECEMBER 31, 1932
Superior, Wis.	4 $\frac{1}{2}$	\$14,000.00	\$14,880.53
Tacoma, Wash.	4 $\frac{1}{2}$	34,000.00	34,251.76
Tennessee, State of	5 $\frac{1}{4}$	5,000.00	5,522.58
" "	4 $\frac{3}{4}$	50,000.00	51,059.92
Toledo, Ohio	4 $\frac{1}{2}$	20,000.00	20,000.00
" "	5	43,500.00	45,008.00
" "	4 $\frac{3}{4}$	44,000.00	45,065.09
Trenton, N. J.	4 $\frac{1}{2}$	44,000.00	44,670.53
Waltham, Mass.	5	17,000.00	17,924.77
Warwick, R.I.	4	20,000.00	20,190.73
Waterbury, Ct.	4 $\frac{1}{2}$	34,000.00	34,000.00
West Virginia, State of	4 $\frac{1}{2}$	32,000.00	32,000.00
" "	4 $\frac{1}{4}$	15,000.00	15,178.17
Wheeling, West Va.	4 $\frac{1}{2}$	20,000.00	20,000.00
Wilmington, No. Carolina	4 $\frac{1}{2}$	14,000.00	14,258.42
" "	4 $\frac{1}{4}$	100,000.00	101,349.96
Woonsocket, R.I.	5	21,000.00	20,575.91
" "	6	75,000.00	76,657.13
Youngstown, Ohio	4 $\frac{1}{2}$	15,000.00	14,853.86
" "	6	25,000.00	26,798.10
" "	5 $\frac{1}{2}$	58,000.00	58,162.45
" "	5	5,000.00	6,311.24
" "	4 $\frac{1}{2}$	5,000.00	5,454.76
Youngstown, Ohio	6	8,000.00	8,433.61
" "	5 $\frac{1}{2}$	20,000.00	22,043.23
" "	5	15,000.00	15,750.07
	4 $\frac{1}{2}$	20,000.00	20,101.57

NOTES

Blanford, Mass.	4 $\frac{1}{4}$	\$23,500.00	\$23,500.00
Dracut, Mass. Water Sup. Dist.	5 $\frac{1}{4}$	3,200.00	3,200.00
Leyden, Mass.	4 $\frac{1}{4}$	4,500.00	4,500.00
Provincetown, Mass.	4 $\frac{1}{4}$	3,000.00	3,000.00
Wareham, Mass. Fire Dist.	4 $\frac{1}{4}$	4,000.00	4,000.00

\$6,821,000.00

\$7,022,666.93

RECAPITULATION BY MATURITIES

Within five years.....		\$1,038,450.00
Between five and fifteen years.....		3,459,550.00
Between fifteen and thirty years.....		2,131,000.00
Over thirty years.....		192,000.00

\$6,821,000.00

The Commonwealth of Massachusetts

ANNUAL REPORT

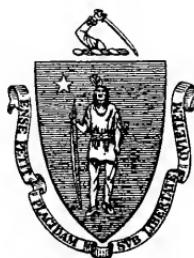
OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1933

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

The Commonwealth of Massachusetts

REPORT

DIVISION OF BOARD OF RETIREMENT,
State House, Boston, November 30, 1933.

To the Honorable Senate and House of Representatives:

The twenty-second annual report of the Board of Retirement is here-with presented for your consideration.

No change in the personnel of the Board occurred during the year.

The contributory law has been in operation since January 1, 1912, twenty-two years, and the present fund consists of \$5,839,167.06, which has been deducted from the salaries or wages of the members, and \$1,691,137.83, which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of members contributing on December 31, 1933, amounts to \$7,530,304.89.

The annuity reserve for the payment of annuities to members on the retired list, December 31, 1933, was \$437,796.00, and the gross assets on said date were \$8,079,423.69. The Insurance Department made the annual examination in accordance with the law, and following the report, the Board, with the approval of the Commissioner of Insurance, credited to active accounts on June 30, 1933, \$93,076.00 as an extra dividend at the rate of one and one-half per cent on the dollars standing to the credit of such accounts on September 30, 1932. Regular interest amounting to \$205,783.06 was also credited to members' accounts during the year which plus \$93,076.00 (surplus) made a total distribution of interest amounting to \$298,859.06.

The interest derived from the investment of the annuity funds has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1929, 4½%; 1930, 4½%; 1931, 4½%; 1932, 4½%; 1933, 4½%. The annuity fund is invested according to restrictions and limitations of the statutes in securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of the Commonwealth and subdivisions thereof. The savings plus accumulated interest refunded to members who left the service during the year ending December 31, 1933 was \$214,461.47, and the amount refunded to the heirs, estates or beneficiaries of members who died before retirement was \$67,137.94, and after retirement was \$10,964.14. There was also paid during said year in annuities \$57,293.21 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) the first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January 1912) was 3,324, and the contributing members on December 31, 1933, were 12,285; males, 6,990; females, 5,295. There are 276 accounts payable to former members who left the service between 1912-1933, inclusive, present address unknown, amounting to \$5,657.54.

TABLE 1
STATISTICS RELATING TO EMPLOYEES RETIRED DURING YEAR ENDING
NOVEMBER 30, 1933

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary . . .	4	55.25	19.00	\$1,277.65	\$59.49	\$235.92	\$295.41
Accidental . . .	4	62.50	16.75	1,640.18	124.41	562.02	686.43
Retirements (Age and Service)	75	68.77	28.64	2,204.60	228.18	483.42	711.60
Total for year . . .	83	67.81	27.60	\$2,132.72	\$215.05	\$475.28	\$690.33

When a member is retired he receives a **retirement allowance**. A retirement allowance is composed of two parts: **Annuity** (paid from his contributions plus interest credited thereto during service) plus **Pension** (paid by the State). Spouse: when a husband or wife retires the spouse may also retire at the same time simply on the right acquired by the other. The retirement allowance is based on the service rendered, etc., with no minimum.

During the year ending November 30, 1933, 1,325 new employees became members of the Association and 1,256 left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 83 persons during the year; 50 by reason of reaching the age of 70; 4 for ordinary disability; 4 for permanent disability resulting from accidental injury in line of duty; 25 between sixty and seventy years of age upon their request. The total of the retiring allowances of the 83 employees retired during the year ending November 30, 1933, is \$57,298.08. Of this amount, \$17,849.28 was annuity derived from the contributions made by the members before retirement and the balance of \$39,448.80 was pension paid from State appropriations. Three applications were approved for pensions to widows of members on account of the death of the husband from injuries received in line of duty.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Fourteen payments are now being made under this law. The largest payment to a widow is \$990.00; the average is \$764.38.

TABLE 2
TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1933
(AGE NEAREST BIRTHDAY)
Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males	38	31	23	23	18	22	23	38	27	28	19	333	623
Females	53	25	16	9	18	9	17	11	5	20	11	76	250
Totals	71	56	39	32	36	31	40	49	32	48	30	409	873

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 867 members and 6 non-members, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 14. Since retirement 368 members and 5 non-members have died, so that retirement allowances are now being paid to 499 former employees. Of this number 213 were retired at the age of seventy or over; 224 were retired upon their request between sixty and seventy years of age; 15 were retired with 35 years of service under age sixty; 6 were wives retired at time of retirement of husbands; 24 were retired for ordinary permanent disability; 17 were retired for permanent accidental disability because of such injuries received in the line of duty. In addition 1 non-member who was over fifty-five years of age when the retirement law was passed and who was retired upon the request of the department in which he was employed is now receiving the minimum payment.

TABLE 3
NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1933, ACCORDING TO
AGE LAST BIRTHDAY (WIDOWS EXCLUDED)

Age	No.	Age	No.	Age	No.	Age	No.
42	.	55	.	68	.	81	.
43	.	56	.	69	.	82	.
44	.	57	.	70	.	83	.
45	.	58	.	71	.	84	.
46	.	59	.	72	.	85	.
47	.	60	.	73	.	86	.
48	.	61	.	74	.	87	.
49	.	62	.	75	.	88	.
50	.	63	.	76	.	89	.
51	.	64	.	77	.	90	.
52	.	65	.	78	.	91	.
53	.	66	.	79	.	92	.
54	.	67	.	80	.	94	.
						Total	499

The average age of persons on the retired list is 72.27 years.

During the year ending November 30, 1933, \$214,111.39 was paid as pensions to persons upon the retired list as compared with \$188,311.00 for the previous year and in addition the state paid \$3,071.27 covering the net loss to maintain the annuity reserve on December 31, 1932. The largest retirement allowance being paid to an individual is \$2,232.00 composed of an annuity paid from the savings of the retired member of \$374.64 and a pension paid by the State of \$1,857.36. The average retirement allowance paid to retired employees on the list November 30, 1933, is \$563.92. The total annual retirement allowances of persons on the list November 30, 1933, is \$292,100.45, divided as follows; annuity, \$63,291.19; pension, \$228,809.26 (widows' pensions, included).

The retirement system has 736 members who may voluntarily retire during the coming fiscal year; and 29 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates for the amount of appropriations required to pay the cost of pensions for the next fiscal year upon experience it has gained that 4% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$9,900.00 in addition to the amount of pensions in force on November 30, 1933. The Board has requested an appropriation of \$238,900.00 to cover the cost of pensions for the year ending November 30, 1934.

TABLE 4
ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR
MAINTENANCE OF PENSION SYSTEM, 1912-1933 (NOV. 30TH)

Year	Cost of Pensions, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners	Year	Cost of Pensions, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners
1912	\$5,343 71 ²	\$5,082 66	\$10,426 37	43	1923	\$98,294 23	\$11,559 40	109,853 63	294
1913	17,576 31	6,619 37	24,195 68	75	1924	110,346 84	12,054 23	122,401 07	320
1914	24,955 18	7,996 22	32,951 40	98	1925	120,010 05	12,373 90	132,383 95	342
1915	30,433 91	8,999 45	39,433 36	118	1926	128,330 75	12,647 23	140,977 98	352
1916	36,753 81	9,725 32	46,479 13	138	1927	133,028 54	14,010 04	147,038 58	377
1917	43,944 47	9,421 15	53,365 62	163	1928	149,401 42	13,641 45	163,042 87	399
1918	50,094 87	9,074 21	59,169 08	174	1929	158,133 44	14,737 52	172,870 96	416
1919	56,052 47	10,289 20	66,341 67	197	1930	167,230 87	15,430 53	182,661 40	433
1920	63,125 37	11,786 93	74,912 30	210	1931	178,078 55	15,841 10	193,919 65	438
1921	72,301 18	10,790 65	83,091 83	243	1932	190,429 64	15,696 81	206,126 45	464
1922	83,556 88	10,937 70	94,494 58	263	1933	217,182 66	15,283 33	232,465 99	513

¹The reimbursement is made to show the estimated additional cost of bookkeeping caused by the operation of the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the State as yearly income and the amount of such income paid to thirty-nine institutions and schools in 1933 was \$4,290.00.

²Cost for 6 months. (First pension was paid 6-1-1912.)

The expenses of the administration of the system for the year were: Salaries, \$9,985.06; contingent expenses, \$1,008.27; reimbursement to institutions for making deductions from members' salaries, etc., \$4,290.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system (See foot note Table 4).

TABLE 5

ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR PENSIONS PAID TO EMPLOYEES RETIRED FROM THE METROPOLITAN DISTRICT SERVICE
Year 1933

PARK DIVISION				SEWER DIVISION		WATER DIVISION	TOTAL
Park Maintenance	Boulevards ¹	Charles River Basin	Wellington Bridge	North System	South System		
\$5,987 79	\$1,536 21	\$2,549 35	\$201 03	\$4,920 18	\$4,173 99	\$12,045 03	\$31,413 58

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Metropolitan District. Such assessments become a part of the general revenue of the Commonwealth in the year in which the assessments are made.

¹An equal amount was paid by the State without Reimbursement. The first reimbursement was made in 1928, covering 1922-1927 inclusive. 1930, \$25,061.62; 1931, \$26,176.73. 1932, \$28,361.58.

The annual cost of pensions as given in table 4 is the gross cost of all pensions including the amount paid to employees retired from the service of the Metropolitan District Commission. The net cost of pensions paid to employees retired from the direct service of the Commonwealth is the difference between the amount stated in table 4 and the reimbursement made to the state in the following year as given in table 5. The reimbursement in 1933 covers the cost for 1932.

REQUIREMENTS FOR RETIREMENTS

1. Any time between ages 60 and 70 with 15 or more years service.
2. Any age with 15 years service for ordinary permanent disability.
3. Any age with 35 years service.
4. Compulsory retirement at age 70.
5. Any time after membership in retirement association for permanent disability resulting from an injury received in an accident while in the discharge of duty without fault of the member.

DEATH BENEFIT

If an accidental injury received by a member in the discharge of his duty results in his death, his widow will receive during her widowhood a pension of one-half the member's rate of salary at the time of the injury, or, if there is no widow the amount is paid for the benefit of a child or children while under sixteen years of age.

Respectfully submitted,

CHARLES F. HURLEY, *Chairman*
ELIZABETH F. MOLONEY
HARRY SCHWARTZMAN, *M. D.*

TABLE 6
COMPARATIVE STATEMENT OF MEMBERSHIP, AS OF NOVEMBER 30

YEAR	REFUNDS		NUMBER PENSIONS				MEMBERSHIP			
	Members Admitted during Year	Number to Beneficiaries or Estates of Deceased Members	PERMANENT DISABILITY OR DEATH		25 or More Years Service Under Age 60	Voluntary Service Under Age 60	Compulsory Care (age 60 to 70)	Retirement with Spouse	RETIRED	
			Accidental Injuries received in performance of duty	Ordinary Dependents ¹					Non-members (Age 60 and Over)	Mortality
			Members	Dependents ¹					Members	Non-members
		*3,324								Dependents ¹
1912	1,181	12	327	-	-	-	25	-	2	-
1913	1,522	21	568	-	1	26	8	36	4,020	-
1914	1,630	19	820	-	2	21	6	28	4,763	-
1915	1,686	29	1,017	-	2	14	8	24	5,399	1
1916	1,445	30	1,339	-	2	15	10	1	5,448	1
1917	1,361	33	1,168	-	1	18	14	1	1,37	1
1918	1,360	40	1,446	-	3	14	6	1	161	1
1919	1,910	65	1,125	-	2	15	11	1	1,573	2
1920	1,679	38	1,445	-	1	14	10	1	12	1
1921	1,752	35	958	-	1	3	22	18	16	1
1922	2,014	55	1,270	-	2	1	22	12	16	1
1923	1,616	34	1,570	-	4	3	22	19	16	1
1924	1,971	35	1,224	-	4	2	28	16	16	1
1925	1,781	40	1,610	-	2	4	9	1	31	1
1926	1,867	57	1,417	2	3	1	14	17	16	2
1927	1,820	54	1,256	3	5	-	17	20	11	3
1928	1,770	57	1,343	3	3	-	14	24	371	5
1929	1,757	38	1,295	3	1	1	18	17	9,191	1
1930	1,783	52	1,119	3	1	1	21	1	21	8
1931	2,271	73	960	2	1	-	10	18	407	1
1932	1,904	70	891	3	2	1	21	28	1,472	8
1933	1,325	67	1,189	4	3	4	25	50	30	11
Totals				21	14	45	16	400	378	11
							7	-	6	11
									873	11
									-	14

*Enrollment Membership, Feb. 1, 1912, 3,324. Membership Nov. 30, 1933, Males, 5,291, plus 219 accounts payable.

¹Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age; if death is the natural and proximate result of accidental injuries occurring in performance and within the scope of duty.

²Most members with 35 or more years of service retire between the retirement ages of 60 to 70 years.

³Active Accounts are present employees and Accounts payable are unpaid accounts of deceased members and unclaimed accounts of former members whose present address is unknown.

Number of unpaid Accounts Nov. 30, 1933 — deceased members 23, \$9,684.84; all others 276, \$5,657.54.

ANNUAL RETIREMENT ALLOWANCE

Each retired member receives an annual income called *Retirement Allowance* which is guaranteed for life without change. *The Retirement Allowance consists of Two Parts:—Annuity and Pension.* **Annuity**—The annuity is purchased on the basis of regular life insurance tables by the amount which the retiring member has to his credit in the annuity fund. A member has a choice *At the time of Retirement* of taking (a) life annuity or (b) cash refund annuity, and he must then choose the one best suited to his particular case. If the annuitant lives to receive annuity payments equal to the purchase price the income will continue throughout the life time of the annuitant irrespective of how long he may live thereafter.

(a) *Life Annuity.* This form of annuity gives the largest life income provided by the law. It is paid for life and all payments cease upon death.

(b) *Cash Refund Annuity.* The annuity payments under this form are payable for life and if the member dies before the sum of the annuity payments which he has received equals the amount of his account used to purchase the annuity at the date of his retirement the difference will be paid in one sum to his estate or his beneficiary as the case may be. The annuity payments under this form are less than under option (a).

Maximum Assessment. The maximum yearly assessment which the law allows a member to pay to the annuity fund from his salary is 5% of the salary received up to but not exceeding \$35.00 per week or \$91.00 per year. Such assessments plus interest represent a compulsory savings account.

TABLE 7

TOTAL ANNUITIES TO EMPLOYEES RETIRED DURING EACH YEAR ENDING
NOVEMBER 30TH

(See Table 1 for average retirement allowance for 1933)

YEAR	BASIS FOR RETIREMENT		TOTAL ANNUITIES			DURING YEAR	
	Age and Service (15 or More Yrs. Service)	PERMANENT DISABILITY		Granted During Year	Released by Deaths During Year	In Force November 30th	*Average Annuity Purchased A/c Service
		Ordinary	Accidental				
1929 .	\$5,435 28	\$54 24	\$469 92	\$5,959 44	\$1,025 19	\$30,835 16	\$145 35
1930 .	6,942 60	61 20	265 80	7,269 60	1,844 25	36,260 51	165 30
1931 .	5,318 52	87 24	109 80	5,515 59	1,861 79	39,914 28	187 23
1932 .	10,526 60	90 60	578 16	11,195 36	2,684 75	48,424 89	199 92
1933 .	17,113 68	237 96	497 64	17,849 28	2,982 98	63,291 19	215 05
							\$290 04
							321 00
							334 56
							388 80
							404 76

The Retirement Association was organized June 1, 1912 and the Annuities cover only the period of service during which the Employee was a contributing member since said date.

*The Average Retirement allowance is the sum of the average annuity Table 7, and the average pension Table 8.

PENSION

The Pension is a definite amount guaranteed for life without change in amount. It is paid from State appropriations and is equal to the annuity under option (a) to which the member was entitled from his own account. In order to make this annual payment, the State must create a fund as large as the member provides for himself. The employee and the State will each provide one-half of the Retirement Allowance Benefit. The pension is not reduced if the member chooses the option (b) annuity.

TABLE 8
TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH
(See Table 1 for Average Retirement Allowances for 1933)

YEAR	AMOUNT OF PENSIONS GRANTED			Permanent Disability or Death Resulting from Accidental Injuries	*Average Pension to Employees Retired for Age and Service	TOTAL ANNUAL	
	(A) Service Prior to June 1, 1912	(B) Service after June 1, 1912	(C) To make Minimum Retirement Allowance			Pensions Granted during Year	Pensions Released by Deaths during Year
1928	\$0,995.88	\$6,301.08	\$1,413.80	\$2,100.00	\$485.92	\$21,331.12	\$7,597.04
1929	9,374.38	6,169.92	1,345.34	2,118.96	461.92	19,008.60	8,927.22
1930	10,365.24	8,037.84	1,873.08	754.20	477.21	23,760.36	10,728.58
1931	5,176.92	6,085.92	1,045.80	2,730.00	422.64	13,820.40	9,771.60
1932	15,600.67	12,103.92	1,253.76	2,308.08	567.84	31,266.43	12,226.55
1933	16,142.28	19,410.00	1,318.44	2,248.08	483.42	41,041.32	11,543.00

At retirement a member receives a retirement allowance. A retirement allowance is composed of two parts: Pension (paid by the State) plus Annuity (paid from contributions plus interest credited to the member's account during his service). (See Table 1.) Members began to contribute from salary or wages June 1, 1912, and the pension for service after 6-1-1912 is equivalent to the annuity purchased by the member without refund provisions. The entire cost of the retirement allowance (pension plus annuity) for service prior to 6-1-12 is paid by the State. If the sum of pensions (A plus B) added to the Annuity (paid from member's savings plus interest additions) does not exceed \$300, the State pays the additional pension (C) to make a minimum retirement allowance of not less than \$300 for less than twenty-five years of service. Any member retired after September, 1929, with twenty-five or more years service, who paid 5% assessments for all service will receive a retirement allowance not less than \$480. *The average retirement allowance is the sum of the average annuity Table 7, and the average pension Table 8.

TABLE 9
COMPARATIVE FINANCIAL STATEMENT AS OF DECEMBER 31ST

Year	Deposits Received During the Year	Refunds of Deposits and Interest				Annuities		Contributing Members		Rate of Surplus Credited to Members' Accounts	
		To Estate or Beneficiary		To Member Who Left the Service		Deposits and interest of Members Retired during Year to Purchase	Paid During Year to Retired Members	Net Deposits	Net Interest		
		Before Retirement	After Retirement	Before Retirement	After Retirement						
1912	\$54,737 11	\$278 74	\$22 73	\$1,352 23	\$149 00	\$3 67	\$53,212 55	\$278 74	\$149 53	\$53,831 61	
1913	108,255 86	2,630 88	354 54	6,966 58	926 65	81 79	1,53,266 68	2,833 58	1,042 39	1,59,122 78	
1914	132,142 37	7,387 34	1,101 92	15,213 21	1,636 71	204 98	26,756 14	10,075 86	2,524 89	282,380 79	
1915	140,750 10	10,681 48	2,541 65	23,911 30	2,588 71	430 12	380,253 02	19,799 34	4,889 50	410,455 26	
1916	151,663 02	18,196 52	2,819 27	40,319 47	4,803 73	846 24	485,933 61	35,890 02	8,602 71	549,954 50	
1917	169,200 46	23,370 72	4,532 00	50,844 19	6,837 23	1,450 64	596,946 60	55,511 06	14,596 19	687,523 90	
1918	176,071 58	27,648 72	6,575 11	83,334 55	7,407 79	2,124 26	682,637 94	76,222 27	20,092 37	806,261 36	
1919	224,362 91	32,993 48	9,513 08	69,674 41	8,784 14	3,058 87	825,887 84	101,467 13	27,688 53	988,821 53	
1920	272,480 80	42,405 44	7,496 99	\$400 59	99,219 03	12,248 85	4,272 91	989,814 74	132,521 60	120,076 44	
1921	308,478 58	52,898 43	7,356 19	-	70,122 22	19,834 13	5,900 70	1,210,591 20	36,666 25	1,489,063 57	
1922	367,408 79	65,325 45	16,162 12	-	87,389 80	20,299 24	7,744 97	1,466,713 55	228,570 35	1,827,093 86	
1923	404,690 87	82,271 12	11,153 11	945 23	140,923 79	25,628 19	10,434 65	1,710,605 33	294,937 37	2,163,158 67	
1924	443,704 72	98,448 62	9,804 00	2,745 83	127,692 04	31,684 58	12,778 96	2,003,384 45	375,130 87	2,567,712 86	
1925	474,821 44	115,396 15	19,888 83	3,299 23	191,446 16	27,716 65	15,337 06	2,267,743 35	462,336 80	1,121,120 00	
1926	510,791 24	126,421 15	2,145 53	207,183 07	31,281 36	17,920 64	2,608,522 38	557,985 68	135,742 00	2,939,150 89	
1927	562,073 45	146,113 37	24,602 86	3,231 31	16,008 64	42,262 31	20,618 24	2,963,613 57	67,172 15	161,737 00	
1928	596,918 82	168,177 11	36,626 36	3,081 79	186,691 10	46,795 19	25,001 10	3,332,893 55	79,227 84	4,381,416 52	
1929	624,882 19	182,003 47	29,682 32	2,418 12	200,935 78	51,439 12	28,397 92	3,721,204 14	93,724 85	4,944,428 98	
1930	693,636 33	206,624 46	37,487 30	3,971 84	187,344 83	62,310 53	33,276 08	4,186,233 69	1,094,577 04	5,610,997 33	
1931	755,775 11	234,775 26	50,229 31	3,409 63	166,541 46	46,722 56	38,603 79	4,727,428 45	1,283,131 89	6,370,972 95	
1932	824,697 14	266,778 29	47,112 25	7,942 71	160,247 35	41,852 45	5,31,481 85	1,482,491 49	33,409 00	7,239,416 02	
1933	862,637 14	298,859 06	67,137 94	10,964 14	214,431 47	142,126 18	57,293 21	5,839,167 06	1,691,137 83	8,079,423 69	

"Regular Interest" interest at three per cent per annum, compounded semi-annually on the last day of December and June and reckoned for full three and six months periods only." Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of each year and is figured on the accumulation of the account on the preceding statement thirtieth. To obtain the interest rate each year add 3% to the rate of surpluses, i.e., 1933, 3 plus 1½ equals 4½%.

**ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE
STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMON-
WEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE
1, 1912.**

STATEMENT FOR THE YEAR ENDING DEC. 31, 1933, MADE TO THE COMMISSIONER OF
INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3,
CHAPTER 32, GENERAL LAWS.

INCOME

Members' deposits	\$862,657 14
Deductions for teachers' retirement board	2,895 25
	<hr/>
Interest received on investments (less \$8,034.31 accrued interest paid on securities purchased during the year)	\$865,552 39
Members' deposits used to purchase annuities	325,022 78
Interest on same	44,039 49
	<hr/>
Adjustment in book value of securities (amortized values)	142,126 18
Securities sold (gain, selling price over cost)	952 90
Received from Commonwealth:	
For payment of pensions for service prior to June 1, 1912	\$134,357 01
For payment of pensions for service subsequent to June 1, 1912	60,830 44
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00
For payment of pensions to members retired for permanent accidental injuries	11,264 81
For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	9,991 98
	<hr/>
To cover loss in annuity reserve 12-31-32	216,644 24
Credited to members' accounts:	3,071 27
Regular interest at 3% compounded semi-annually	\$205,783 06
Extra dividend at 1½%	93,076 00
	<hr/>
Interest and dividend credited to annuity reserve	298,859 06
For reimbursement of State institutions	17,487 01
For salaries	9,867 00
For expenses	999 03
	<hr/>
Adjustment of refunds	15,156 03
Total income	<hr/>
Total	\$1,884,871 86
Balance December 31, 1932	7,065,605 26
Total	<hr/>
Total	\$8,950,477 12

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$214,461 47
Deposits refunded, including interest, to representatives of deceased members	67,137 94
Adjustment of refunds	1 05
Members' deposits plus interest used to purchase annuities	142,126 18
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment	216,644 24
Annuities paid to members from their contributions	57,293 21
Regular interest and extra dividend credited to members' accounts	298,859 06
Salaries and contingent expenses	15,156 03
Refunds to estates of deceased annuitants who at the time of their retirement elected the refund annuity option	10,964 14
Adjustment book value of securities (amortized values)	16,923 37
Deposits, Normal School to teachers' retirement board	2,895 25
Interest and dividend credited to annuity reserve	17,487 01
	<hr/>
Total disbursements	\$1,059,948 95
Balance December 31, 1933	7,890,528 17
Total	<hr/>
Total	\$8,950,477 12

LEDGER ASSETS

Investments par value \$7,647,450; amortized value	\$7,849,675 51
Bond matured but unpaid	20,000 00
Cash	20,852 66
	<hr/>
Total ledger assets	\$7,890,528 17

NON-LEDGER ASSETS

Accrued interest on investments	\$116,619 79
Deposits receivable from treasurers of institutions, etc.	65,640 73
Due from Commonwealth, net loss in annuity fund	6,635 00
	<hr/>
Gross assets	\$8,079,423 69

LIABILITIES

Deposits of members including \$65,640.73 in hand of agents of the Board	\$5,839,167 06
Regular interest and extra dividends credited to members' accounts	1,691,137 83
Unpaid annuities due Dec. 31, 1933	-----
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	437,796 00
Annuity Reserve	-----
Annuity reserve (special)	-----
Surplus (undivided profits)	111,322 80
Total liabilities	\$8,079,423 69

MEMBERSHIP EXHIBIT

Members' accounts:	
Active members December 31, 1932	12,371
Accounts payable	297
Admitted during the year	1,270

Members retired	81
Members deceased	72
Members left service	1,202

Accounts closed during year	1,355
Plus accounts payable	276
" " " A/c deaths	22

Active accounts (members contributing on 12-31-33)	1,653
Accounts payable (former employees not employed 12-31-33) amounting to \$15,342.38	12,285

Retired members:

Members retired December 31, 1932	456
Members retired during year:	
Between 60-70 years age	26
At age 70	47
With 35 years' service under age 60	-
Ordinary disability	4
Accidental disability	4
With spouse	-

Retired members who died during year	81

Members retired December 31, 1933	501
Non-members:	
Pensions to widows account of death of husband from injuries received in line of duty (12-31-32)	11
Number granted to widows during year	3

Widows deceased during year	14
	0
Total widows on list 12-31-33	14
Under Sec. 5 (2) C (b)	1

Total on pension roll, December 31, 1933	516

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1933, to the best of our knowledge and belief.

CHARLES F. HURLEY
ELIZABETH F. MOLONEY
HARRY SCHWARTZMAN, M.D. } *Board of Retirement.*

Subscribed and sworn to before me this twenty-seventh day of February, 1933.

A. HARRIS PATON,
Justice of the Peace.

SECURITIES DECEMBER 31, 1933

BONDS

DESCRIPTION	RATE PERCENT	PAR VALUE
U. S. Liberties 4th	4 1/4	\$37,700.00
U. S. Treasury	4 1/4	197,200.00
Akron, Ohio	6	16,000.00
" "	5 1/2	90,000.00
" "	5	50,000.00
" "	4 3/4	25,000.00
" "	4 1/2	25,000.00
" "	4 1/4	25,000.00
Alabama, State of	4 1/2	20,000.00
" "	4 3/4	25,000.00
Atlantic City, N.J.	4 1/2	29,000.00
Baltimore, Md.	5	100,000.00
" "	4	25,000.00
Barre, Vt.	4	56,000.00
Bayonne, N.J.	5	10,000.00
" "	4 1/2	60,000.00
" "	4 1/4	29,000.00
Berlin, N.H.	4 1/2	20,000.00
Birmingham, Ala.	5	50,000.00
" "	4 1/4	91,000.00
" "	4 1/4	25,000.00
Boston, Mass.	4 1/4	60,000.00
" "	4	120,000.00
" "	3 3/4	5,000.00
" "	3 1/2	115,000.00
Boston Met. District	4 1/4	300,000.00
Bridgeport, Ct.	5	10,000.00
" "	4 3/4	8,000.00
Bristol, Ct.	5	20,000.00
" "	4 1/2	11,000.00
Brockton, Mass.	4	5,000.00
" "	3 1/2	11,000.00
Burrillville, R.I.	3 1/2	15,000.00
Cambridge, Mass.	5	10,000.00
" "	4 1/2	30,000.00
" "	3 1/2	5,000.00
Camden, N.J.	5 1/2	5,000.00
Canton, Ohio	6	20,000.00
" "	5 1/2	39,000.00
" "	5	35,000.00
" "	4 1/4	16,000.00
Cincinnati, Ohio	5	75,000.00
" "	4 1/2	31,000.00
Cleveland, Ohio	5 1/2	75,000.00
" "	5	61,000.00
" "	4 3/4	101,000.00
" "	4 1/2	45,000.00
Columbus, Ohio	5 1/2	11,000.00
" "	5	40,000.00
" "	4 1/2	69,000.00
Cranston, R.I.	4 1/2	44,000.00
" "	4 1/4	32,000.00
" "	4	50,000.00
Dallas, Texas	4 1/2	195,000.00
Danbury, Ct.	3 1/2	5,000.00
Dayton, Ohio	6	25,000.00
" "	5	35,000.00
" "	4 3/4	16,000.00
" "	4 1/2	58,000.00
" "	4	10,000.00
Dennis, Mass.	4	10,000.00
Denver, Colo.	4 1/4	30,000.00
DesMoines, Iowa	5	38,000.00
" "	4 1/2	50,000.00
" "	4	5,000.00
Detroit, Mich.	5 1/4	5,000.00
" "	5	44,000.00
" "	4 1/2	75,000.00
Elizabeth, N.J.	4 1/4	40,000.00
Everett, Mass.	4 1/4	10,000.00
" "	4	5,000.00
Fall River, Mass.	4 1/4	10,000.00
" "	4	5,000.00
" "	3 1/2	13,000.00
Flint, Mich.	5	8,000.00
" "	4 1/2	30,000.00
" "	4 1/4	4,000.00
Fort Worth, Texas	5	25,000.00
" "	4 1/2	17,000.00
Gardiner, Me.	4	25,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE
Grand Rapids, Mich.	4 1/2	\$62,000.00
" " "	4 1/4	22,000.00
Hamilton, Ohio	5 1/2	3,000.00
Haverhill, Mass.	3 3/4	5,000.00
Holyoke, Mass.	4 1/2	4,000.00
" "	4	29,000.00
Houston, Texas	5	12,000.00
" "	4 3/4	15,000.00
" "	4 1/2	25,000.00
Illinois, State of	4	25,000.00
Jersey City, N.J.	5 1/2	85,000.00
" "	5	50,000.00
" "	4 3/4	10,000.00
Lansing, Mich.	4 1/2	75,000.00
" "	4 1/4	3,000.00
Lawrence, Mass.	5 3/4	50,000.00
Leominster, Mass.	5	72,000.00
Lewiston, Me.	4 1/4	30,000.00
Lorain, Ohio	5	5,000.00
" "	4 1/2	7,000.00
Los Angeles, Calif.	6	25,000.00
" " "	5	90,000.00
" " " Harbor	4 3/4	10,000.00
Louisiana, State of	5	37,000.00
" "	4 1/2	25,000.00
" " " (Port Com)	5	133,500.00
" " "	4 3/4	5,000.00
Louisville, Ky.	4 1/2	5,000.00
Lynchburg, Va.	5	25,000.00
Lynn, Mass.	5	15,000.00
" "	4	40,000.00
Malden, Mass.	4 1/4	4,000.00
Medford, Mass.	4 1/2	36,000.00
" "	4	5,000.00
Michigan, State of	5 3/4	122,000.00
" " "	5	48,000.00
" " "	4 1/2	54,000.00
Minneapolis, Minn.	4 3/4	73,000.00
" "	4 1/2	47,000.00
" "	4	40,000.00
Minnesota, State of	4 3/4	150,000.00
" " "	4 1/2	50,000.00
Missouri, State of	5	55,000.00
" " "	4 1/4	25,000.00
Montgomery, Ala.	5	15,000.00
Muskegon, Mich.	4 1/2	30,000.00
" "	4	35,000.00
Nashville, Tenn.	5	8,000.00
Newark, N.J.	5 1/2	10,000.00
" "	4 1/2	10,000.00
New Jersey, State of	5	23,000.00
" " "	4 1/2	80,000.00
Newport, R.I.	4 1/2	15,000.00
" "	4 1/4	15,000.00
Newton, Mass.	4	27,000.00
New York, State of	4 1/2	3,000.00
No. Carolina, State of	5	30,000.00
Norwalk, Ct.	4	1,000.00
Oakland, Calif.	4 3/4	52,000.00
Oregon, State of	5	10,000.00
" " "	4 1/2	60,000.00
" " "	4 1/4	20,000.00
Pasadena, Calif.	4 3/4	6,000.00
Pawtucket R.I.	4 1/2	10,000.00
" "	4 1/4	10,000.00
Philadelphia, Pa.	4 1/4	25,000.00
Portland, Ore.	5	5,000.00
" " Maine	4 1/2	46,000.00
Providence, R.I.	4 1/2	25,000.00
" " "	4 1/4	35,000.00
" " "	4	19,000.00
Quincy, Mass.	4	16,000.00
Reading, Mass.	4	10,000.00
Richmond, Va.	5	44,000.00
" " "	4 1/2	25,000.00
" " "	4 1/4	50,000.00
Rochester, N.Y.	4 1/2	50,000.00
Russell, Mass.	4	1,600.00
Sacramento, Calif.	4 1/2	10,000.00
San Antonio, Texas	5 1/2	25,000.00
" " "	5	10,000.00
San Diego, Calif.	5	67,000.00
" " "	4 1/2	15,000.00
" " "	4 1/4	20,000.00

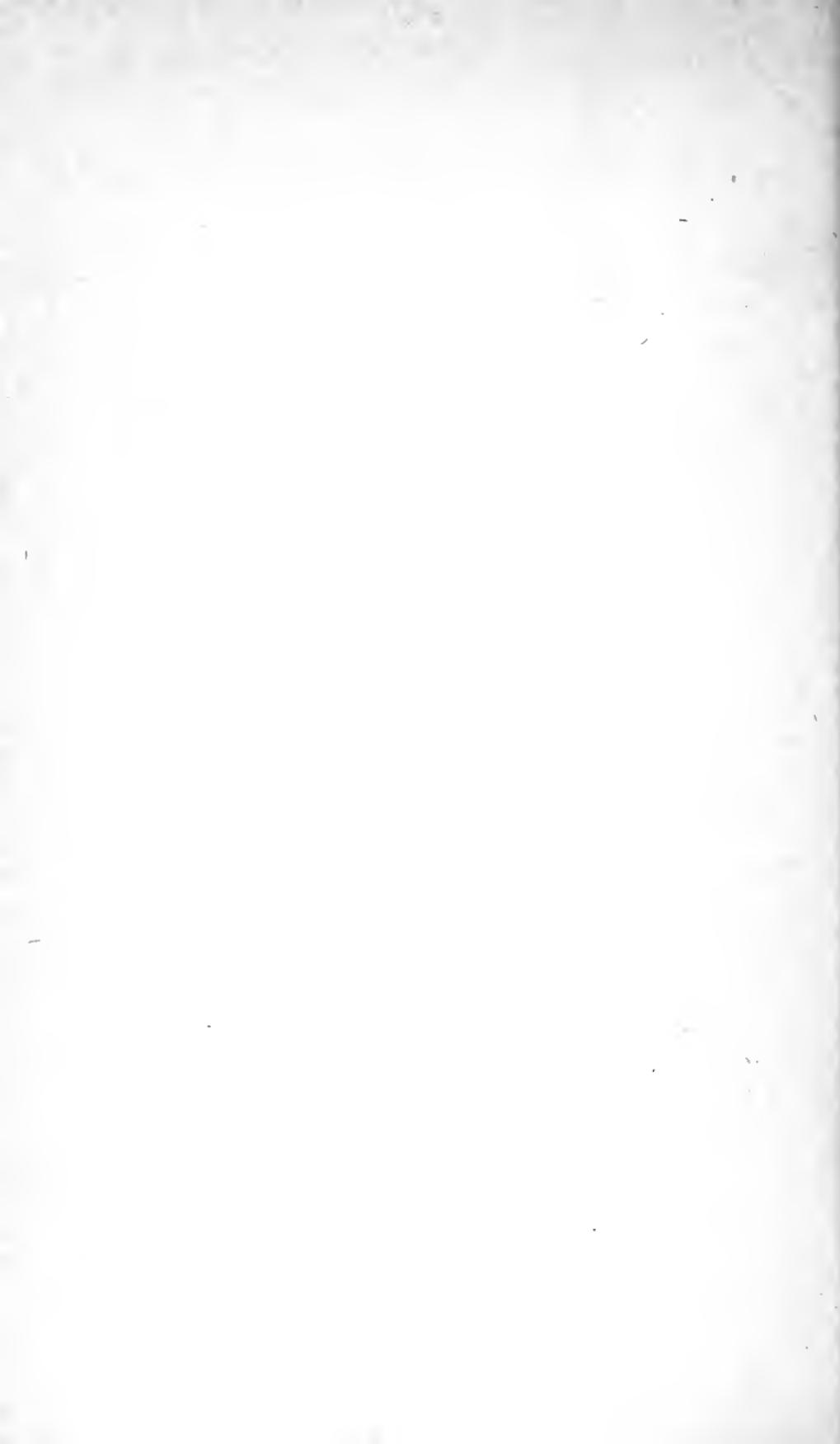
DESCRIPTION	RATE PERCENT	PAR VALUE
San Francisco, Calif.	5 3/4	\$60,000.00
" " "	5	105,000.00
" " "	4 1/2	150,000.00
" " "(City and County)	5	10,000.00
Seattle, Wash.	5	58,000.00
Somerville, Mass.	4	38,900.00
Springfield, Mass.	3 3/4	73,000.00
St. Louis, Mo.	4 1/2	70,000.00
" " "	4 1/4	44,000.00
St. Paul, Minn.	5 1/2	40,000.00
" " "	4 1/2	29,000.00
" " "	4 1/4	56,000.00
" " "	4	25,000.00
Stamford, Ct.	4 1/4	10,000.00
Superior, Wis.	4 1/2	14,000.00
Tacoma, Wash.	4 1/2	34,000.00
Taunton, Mass.	4 1/2	18,000.00
Tennessee, State of	5 1/4	5,000.00
" " "	4 3/4	50,000.00
" " "	4 1/2	20,000.00
Toledo, Ohio	5	43,500.00
" " "	4 3/4	44,000.00
" " "	4 1/2	44,000.00
Trenton, N.J.	5	17,000.00
" " "	4 1/2	20,000.00
Waltham, Mass.	5	34,000.00
" " "	3 3/4	20,000.00
Warwick, R. I.	4	32,000.00
Waterbury, Ct.	4 1/2	15,000.00
" " "	4 1/4	20,000.00
West Virginia, State of	4 1/2	14,000.00
" " " "	4 1/4	100,000.00
" " " "	4	21,000.00
Wheeling, West Va.	5	75,000.00
" " " "	4	15,000.00
Wilmington, No. Carolina	5	25,000.00
" " " "	4 1/2	58,000.00
Woonsocket, R.I.	6	5,000.00
" " "	5	5,000.00
" " "	4 1/2	17,000.00
Youngstown, Ohio	6	8,000.00
" " " "	5 1/2	20,000.00
" " " "	5	15,000.00
" " " "	4 1/2	20,000.00

NOTES

Blanford, Mass.	4 1/4	\$20,500.00
Dracut, Mass. Water Sup. Dist.	5 1/4	2,800.00
Leyden, Mass.	4 1/4	3,750.00
Provincetown, Mass.	4 1/4	2,000.00
Revere, Mass.	4 1/4	42,000.00
Wareham, Mass. Fire Dist.	4 1/4	4,000.00
		<hr/>
		\$7,647,450.00

RECAPITULATION BY MATURITIES

Within five years	\$1,234,550.00
Between five and fifteen years	3,907,400.00
Between fifteen and thirty years	2,271,500.00
Over thirty years	234,000.00
	<hr/>
	\$7,647,450.00



The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1934

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

The Commonwealth of Massachusetts

REPORT

DIVISION OF BOARD OF RETIREMENT,
State House, Boston, November 30, 1934.

To the Honorable Senate and House of Representatives:

The twenty-third annual report of the Board of Retirement for the year 1934 is herewith presented for your consideration.

No change in the personnel of the Board occurred during the year.

The contributory law has been in operation since January 1, 1912, twenty-three years, and the present fund consists of \$6,325,886.34, which has been deducted from the salaries or wages of the members, and \$1,926,285.17 which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of contributing members amounts to \$8,252,171.51.

The annuity reserve for the payment of annuities to members on the retired list is \$520,715.00 and the gross assets are \$8,889,477.42. The Board with the approval of the Commissioner of Insurance, credited to active accounts on June 30, 1934, \$103,401.01 as an extra dividend at the rate of one and one-half per cent on the dollars standing to the credit of such accounts on September 30, 1933. Regular interest amounting to \$227,641.69 was also credited to members' accounts during the year which plus \$103,401.01 (surplus) made a total distribution of interest amounting to \$331,042.70.

The interest derived from the investment of the annuity fund has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1930, $4\frac{1}{2}\%$; 1931, $4\frac{1}{2}\%$; 1932, $4\frac{1}{2}\%$; 1933, $4\frac{1}{2}\%$; 1934, $4\frac{1}{2}\%$. The annuity fund is invested according to restrictions and limitations of the statutes in securities which are a legal investment for the sinking funds of the Commonwealth, these being principally the obligations of the Commonwealth and subdivisions thereof. The savings plus accumulated interest refunded to members who left the service during the year was \$271,297.96, and the amount refunded to the heirs, estates or beneficiaries of members who died before retirement was \$64,455.18, and after retirement was \$8,566.12. There was also paid during said year in annuities \$70,547.24 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) the first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January, 1912) was 3,324, and the contributing members on November 30, 1934, were 12,319; males, 6,995; females, 5,324. There are 277 accounts payable to former members who left the service between 1912-1934 inclusive, present address unknown, amounting to \$5,354.44 and 27 accounts payable to estates or beneficiaries of deceased members amounting to \$18,875.87.

TABLE 1
STATISTICS RELATING TO EMPLOYEES RETIRED DURING YEAR ENDING
NOVEMBER 30, 1934

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary . . .	1	56	21	\$1,323.81	\$92.16	\$192.36	\$284.52
Accidental . . .	2	46	10	1,407.44	70.62	578.22	648.84
Retirement under 60 with 35 or more years service . . .	1	56	35	1,671.46	183.96	472.56	656.52
Retirements (Age 60-70 Inc.) . . .	70	67	26	1,852.25	199.31	372.84	572.15
Retirements with Spouse . . .	2	54	22	1,574.51	92.82	175.70	263.52

When a member is retired he receives a **RETIREMENT ALLOWANCE**. A retirement allowance is composed of two parts: **ANNUITY** (paid from his contributions plus interest credited thereto during service) plus **PENSION** (paid by the State). Spouse: when a husband or wife retires the spouse may also retire at the same time simply on the right acquired by the other. The retirement allowance is based on the service rendered, etc., with no minimum. Special provision is made for retirement under age 60 with 35 or more years of service.

During the year ending November 30, 1934, 1,383 new employees became members of the Association and 1,229 left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 76 persons during the year; 27 by reason of reaching the age of 70; 1 for ordinary disability; 2 for permanent disability resulting from accidental injury in line of duty; 43 between sixty and seventy years of age upon their request; 1 on account of thirty-five years of service; and 2 wives retired at time of retirement of husbands. The total of the retiring allowances of the 76 employees retired during the year ending November 30, 1934 is \$42,817.44. Of this amount, \$14,555.88 was annuity derived from the contributions made by the members before retirement and the balance of \$28,261.56 was pension paid from State appropriations. Three applications were approved for pensions amounting to \$1,573.44 to widows of members on account of the death of the husband from injuries received in line of duty.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Sixteen payments are now being made under this law. The largest payment to a widow is \$990.00; the average is \$767.17.

TABLE 2
TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1934
(AGE NEAREST BIRTHDAY)
 Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males	41	31	25	25	19	25	26	39	28	31	24	352	666
Females	25	30	18	11	20	9	19	13	6	24	12	86	283
Totals	76	61	43	36	39	34	45	52	34	55	36	438	949

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 943 members and 6 non-members, and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 16. Since retirement 400 members and 5 non-members have died, so that retirement allowances are now being paid to 543 former employees. Of this number 228 were retired at the age of seventy or over; 251 were retired upon their request between sixty and seventy years of age; 15 were retired with 35 years of service under age sixty; 8 were wives retired at time of retirement of husbands; 23 were retired for ordinary permanent disability; 18 were retired for permanent accidental disability because of such injuries received in the line of duty. In addition 1 non-member who was over fifty-five years of age when the retirement law was passed and who was retired upon the request of the department in which he was employed is now receiving the minimum payment.

TABLE 3

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1934, ACCORDING TO AGE
LAST BIRTHDAY (WIDOWS EXCLUDED)

Age	No.	Age	No.	Age	No.	Age	No.
27	1	55	2	68	17	81	16
43	1	56	5	69	24	82	10
44	1	57	2	70	44	83	11
45	-	58	-	71	55	84	4
46	-	59	5	72	47	85	7
47	1	60	6	73	34	86	1
48	-	61	8	74	32	87	2
49	1	62	9	75	36	88	2
50	3	63	9	76	20	89	2
51	-	64	11	77	25	90	2
52	-	65	15	78	18	91	-
53	1	66	6	79	13	92	1
54	-	67	17	80	16	95	1
					Total		544

The average age of persons on the retired list is 72.11 years.

During the year ending November 30, 1934, \$238,592.03 was paid as pensions to persons upon the retired list as compared with \$214,111.39 for the previous year and in addition the State paid \$6,635.00 covering the net loss to maintain the annuity reserve on December 31, 1933. The largest retirement allowance being paid to an individual is \$2,232.00 composed of an annuity paid from the savings of the retired member of \$374.64 and a pension paid by the State of \$1,857.36. The average retirement allowance paid to retired employees on the list November 30, 1934, is \$570.45. The total annual retirement allowances of persons on the list November 30, 1934, is \$322,604.02, divided as follows; annuity, \$74,765.00; pension, \$247,839.02 (widows' pensions included, \$12,274.81.)

The retirement system has 780 members who may voluntarily retire during the coming fiscal year; and 44 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates for the amount of appropriations required to pay the cost of pensions for the next fiscal year upon experience it has gained that 4% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$12,200.00 in addition to the amount of pensions \$247,800.00 in force on November 30, 1934. The Board has requested an appropriation of \$260,000.00 to cover the cost of pensions for the year ending November 30, 1935.

TABLE 4

ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR MAINTENANCE OF PENSION SYSTEM, 1912-1934, (NOV. 30TH)

Year	Cost of Pensions, etc.	Salaries ¹ , Supplies, Reimbursement (See Table 5)	Total (See Table 5)	No. of Pensioners	Year	Cost of Pension, etc.	Salaries ¹ , Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners
1912	\$5,343 71 ²	\$5,082 66	\$10,426 37	43	1924	110,346 84	12,054 23	\$122,401 07	329
1913	17,576 31	6,619 37	24,195 68	75	1925	120,010 05	12,373 90	132,383 95	342
1914	24,955 18	7,996 22	32,951 40	98	1926	128,330 75	12,647 23	140,977 98	352
1915	30,433 91	8,999 45	39,433 36	118	1927	133,028 54	14,010 04	147,038 58	377
1916	36,753 81	9,725 32	46,479 13	138	1928	149,401 42	13,641 45	163,042 87	399
1917	43,944 47	9,421 15	53,365 62	163	1929	158,133 44	14,737 52	172,870 96	416
1918	50,094 87	9,074 21	59,169 08	174	1930	167,230 87	15,430 53	182,661 40	433
1919	56,052 47	10,289 20	66,341 67	197	1931	178,078 55	15,841 10	193,919 65	438
1920	63,125 34	11,786 93	74,912 30	210	1932	190,429 64	15,696 81	206,126 45	464
1921	72,301 18	10,790 65	83,091 83	243	1933	217,182 66	15,283 33	232,465 99	513
1922	83,556 88	10,937 70	91,494 58	263	1934	24,5227 03	14,706 05	259,933 08	550
1923	98,294 23	11,559 40	109,853 63	294					

¹The reimbursement is made to show the estimated additional cost of bookkeeping caused by the operation of the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the State as yearly income and the amount of such income paid to thirty-nine institutions and schools in 1934 was \$4,390.00.

²Cost for 6 months. (First pension was paid 6-1-1912.)

The expenses of the administration of the system for the year were: Salaries, \$9,421.49; contingent expenses, \$894.56; reimbursement to institutions for making deductions from members' salaries, etc., \$4,390.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system (See foot note Table 4).

TABLE 5

ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR
PENSIONS PAID TO EMPLOYEES RETIRED FROM THE METROPOLITAN
DISTRICT SERVICE

Year 1934

PARK DIVISION				SEWER DIVISION		WATER DIVISION	TOTAL
Park Maintenance	Boule- vards ¹	Charles River Basin	Wellington Bridge	North System	South System		
\$6,249 13	\$2,272 34	\$3,223 16	\$376 19	\$5,501 59	\$5,159 02	\$16,398 00	\$39,179 43

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Metropolitan District. Such assessments become a part of the general revenue of the Commonwealth in the year in which the assessments are made.

¹An equal amount was paid by the State without Reimbursement. The first reimbursement was made in 1928, covering 1922-1927 inclusive. 1931, \$26,176.73; 1932, \$28,361.58; 1933, \$31,413.58.

The annual cost of pensions as given in table 4 is the gross cost of all pensions including the amount paid to employees retired from the service of the Metropolitan District Commission. The net cost of pensions paid to employees retired from the direct service of the Commonwealth is the difference between the amount stated in table 4 and the reimbursement made to the state in the following year as given in table 5. The reimbursement in 1934 covers the cost for 1933.

Respectfully submitted,

CHARLES F. HURLEY, *Chairman*
ELIZABETH F. MOLONEY
HARRY SCHWARTZMAN, M.D.

**SOME FACTS ABOUT THE CONTRIBUTORY RETIREMENT
LAW FOR STATE EMPLOYEES.**

Membership—The Law has been in operation since January 1, 1912. The system is contributory and accumulates an amount which at retirement provides a part and ultimately in most cases one-half of the total retirement benefit. The Law compels each permanent employee of the State or Metropolitan District Commission to save systematically for retirement purposes, and when he retires the State rewards his thrift by creating a fund equal to the sum he has provided for himself, thereby increasing his account 100% and dividing the cost of retirement benefit equally between the State and the employee, with the exception that the State pays in addition the cost of administration expenses. The system is contractual and the employee has the right to retire but he also may be retired with the approval of the Board of Retirement upon the request of the head of the department in which he is employed.

Assessments—Every member of the Retirement Association except some employed prior to June 1, 1918 is required to pay 5% of the salary he receives up to but not exceeding \$35.00 per week, but in no case shall the annual maximum assessment exceed \$91.00 per year. The assessments plus interest represent the compulsory savings account to the credit of each member. In case of death or resignation before retirement, the total contributions plus interest are refunded to the employee, his estate or beneficiary as the case may be.

REQUIREMENTS FOR RETIREMENT

1. Any time between ages 60 and 70 with 15 or more years service.
2. Any age with 15 years service for ordinary permanent disability.
3. Any age with 35 years service.
4. Compulsory retirement at age 70.
5. Any time after membership in retirement association for permanent disability resulting from an injury received in an accident while in the discharge of duty without fault of the member.

DEATH BENEFIT

If an accidental injury received by a member in the discharge of his duty results in his death, his widow will receive during her widowhood a pension of one-half the member's rate of salary at the time of the injury, or, if there is no widow the amount is paid for the benefit of a child or children under sixteen years of age.

ANNUAL RETIREMENT ALLOWANCE

Each retired member receives an annual income called *Retirement Allowance* which is guaranteed for life without change. *The Retirement Allowance consists of Two Parts:—Annuity and Pension.* ANNUITY—The annuity is purchased on the basis of regular life insurance tables by the amount which the retiring member has to his credit in the annuity fund. A member has a choice *At the time of Retirement* of taking (a) life annuity or (b) cash refund annuity, and he must then choose the one best suited to his particular case. If the annuitant lives to receive annuity payments equal to the purchase price the income will continue throughout the life time of the annuitant irrespective of how long he may live thereafter.

(a) *Life Annuity.* This form of annuity gives the largest life income provided by the law. It is paid for life and all payments cease upon death.

(b) *Cash Refund Annuity.* The annuity payments under this form are payable for life and if the member dies before the sum of the annuity payments which he has received equals the amount of his account used to purchase the annuity at the date of his retirement the difference will be paid in one sum to his estate or his beneficiary as the case may be. The annuity payments under this form are less than under option (a).

TABLE 6

ANNUITIES PURCHASED BY EMPLOYEES RETIRED DURING EACH YEAR ENDING
NOVEMBER 30TH AND OTHER PAYMENTS ON SAID DATE
(See Table 1 for average retirement allowance for 1934)

YEAR	BASIS FOR RETIREMENT		TOTAL ANNUITIES			ANNUITIES PAID NOV. 30TH	
	Age and Service (15 or More Yrs. Service)	PERMANENT DISABILITY		Granted During Year	Released by Deaths During Year	In Force November 30th	*Average Annuity on Said Date
		Ordinary	Accidental				
1930 .	\$6,942 60	\$61 20	\$265 80	\$7,269 60	\$1,844 25	\$36,260 51	\$86 95
1931 .	5,318 52	87 24	109 80	5,515 59	1,861 79	39,914 28	94 36
1932 .	10,522 60	90 60	578 16	11,195 36	2,684 75	48,424 89	107 61
1933 .	17,113 68	237 96	497 64	17,849 28	2,982 98	63,291 19	127 60
1934 .	14,322 48	92 16	141 24	14,555 88	3,082 07	74,765 00	137 94

The Retirement Association was organized June 1, 1912 and the Annuities cover only the period of service during which the Employee was a contributing member since said date.

*The Average Retirement allowance is the sum of the average annuity Table 6, and the average pension Table 7.

PENSION

The Pension is a definite amount guaranteed for life without change in amount. It is paid from State appropriations and is equal to the annuity under option (a) to which the member was entitled from his own account. In order to make this annual payment, the State must create a fund as large as the member provides for himself. The employee and the State will each provide one-half of the Retirement Allowance Benefit. The pension is not reduced if the member chooses the option (b) annuity.

SUMMARY

To arrive at the cost or amount of retirement benefits, the figures quoted in table 6 must be combined with the figures quoted in table 7.

TABLE 7
TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH AND OTHER PAYMENTS ON SAID DATE.
(See Table 1 for Average Retirement Allowances for 1934)

YEAR	ANNUAL PENSIONS GRANTED			Total Pensions				Pensions Paid on Nov. 30th		
	(A) Service Prior to June 1, 1912	(B) Service after June 1, 1912	(C) To make Minimum Retirement Allowance	Pensions to Members	Pensions to Widows, etc.	Granted during Year	Released by Deaths during Year	In Force Nov. 30th	*Average Pension on said Date	Largest Pension on said Date
1930	\$10,365.24	\$8,037.84	\$1,873.08	\$754.20	\$2,730.00	\$23,760.35	\$10,728.58	\$175,622.26	\$394.98	\$1,989.36
1931	5,176.92	6,035.92	1,045.80	1,511.76	—	13,820.40	9,771.60	179,671.06	399.96	1,989.36
1932	15,600.67	12,103.92	1,253.76	2,308.08	—	31,266.43	12,226.55	198,710.94	419.16	1,989.36
1933	16,442.28	19,440.00	1,318.44	2,248.08	2,192.52	41,641.32	11,513.00	228,809.26	436.32	1,857.36
1934	9,219.36	16,448.28	1,437.48	1,156.44	1,573.44	29,835.00	10,805.24	247,839.02	432.51	1,857.36

At retirement a member receives a RETIREMENT ALLOWANCE. A retirement allowance is composed of two parts; PENSION (paid by the State) plus ANNUITY (paid from contributions plus interest credited to the member's account during his service. (See Table 1.)

Members began to contribute from salary or wages June 1, 1912, and the pension for service after 6-1-1912 is equivalent to the annuity purchased by the member without refund provisions. The entire cost of the retirement allowance (pension plus annuity) for service prior to 6-1-12 is paid by the State.

If the sum of pensions (A plus B) added to the ANNUITY (paid from member's savings plus interest additions) does not exceed \$300, the State pays the additional pension (C) to make a minimum retirement allowance of not less than \$300 for less than twenty-five years of service. Any member retired after September, 1929, with twenty-five or more years service, who paid 5% assessments for all service will receive a retirement allowance not less than \$480.

*The average retirement allowance is the sum of the average annuity Table 6, and the average pension Table 7.

TABLE 8
COMPARATIVE STATEMENT OF MEMBERSHIP, AS OF NOVEMBER 30

YEAR	REFUNDS		NUMBER PENSIONS						MEMBERSHIP					
			PERMANENT DISABILITY			Retirement with Spouse			Living		RETIRED			
	Members Admitted during Year	All Others	Accidental Injuries received in performance of duty	Ordinary	Voluntary (age 60 to 70)	Wife	Husband	Mortality	Non-members (Age 60 and Over)	Total Retired During Year (Dependents Excluded)	Active ^a and Accounts Payable	Non-members	Dependents	
Number to Beneficiaries or Estates of Deceased Members	Members	Members	Members	Members	Members	Members	Members	Members	Members	Members	Members	Members	Members	
1912—	1924	incl. 1,610	1 2	23 4	12 3	163 21	4 —	6	460	8,274 8,370	131 22	328 341	1 1	
1925	1,781	40	1,417	2	1 5	14 17	— 20	—	35	8,726 9,191	37 45	348 371	1 1	
1926	1,867	57	1,256	3	1 2	14 5	— 1	—	—	— 40	— 40	— 41	3 5	
1927	1,820	54	1,343	1	3 —	14 1	24 18	— 17	—	9,521 9,904	21 24	390 407	1 1	
1928	1,770	57	1,295	3	1 1	18 1	— 1	—	—	— 44	— 44	— 421	8 11	
1929	1,757	38	1,119	1	3 1	21 1	20 10	— 18	—	10,472 11,678	30 27	426 452	1 1	
1930	1,783	52	960	2	1 —	1 2	1 21	— 28	—	— 32	— 30	— 456	11 11	
1931	2,271	73	891	3	— 3	2 4	— 1	— 21	—	— 56	— 12,551	— 37	452 498	1 1
1932	1,904	70	1,189	4	— 2	— 1	— 43	— 27	— 2	— 76	— 76	— 31	— 543	14 16
1933	1,325	67	1,151	2	— 1	— 1	— 43	— 27	— 2	— 76	— 76	— 31	— 543	14 16
1934	1,383	78			23	16	46	17	443	405	9	0	6	949
Totals										—	405	—	—	—

Retirement association organized Feb. 1, 1912 with membership 3,324.

Active membership Nov. 30, 1933.—males 6995; females 5,324; a/c payable death of former members etc 304.

Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, if death is the natural and proximate result of accidental injuries occurring in performance and within the scope of duty.

Most members with 35 or more years of service retire between the retirement ages periods of 60 to 70 years.

Active Accounts are present employees and Accounts payable are unpaid accounts of deceased members and unclaimed accounts of former members whose present address is unknown.

TABLE 9
COMPARATIVE FINANCIAL STATEMENT AS OF DECEMBER 31ST

Year	Deposits Received During the Year	Interest and Surplus Credited to Members' Accounts During the Year	Refunds of Deposits and Interest		Annuities		Contributing Members		Rate of Surplus Credited to Members' Accounts
			To Estate or Beneficiary		To Member Who Left the Service	Deposits and Interest of Members Retired during Year to Purchase	Paid During Year to Retired Members	Net Deposits	
			Before Retirement	After Retirement				Net Interest	
1912	\$54,737 11	\$278 74	\$22 73	-	\$1,352 23	\$149 60	\$3 67	\$278 74	\$149 53
1913	108,255 86	2,630 88	354 54	-	6,946 58	926 65	81 79	153,296 68	2,833 55
1914	132,142 37	7,587 34	1,101 92	-	15,213 21	1,626 71	204 98	267,786 14	10,075 86
1915	140,750 10	10,681 48	2,541 65	-	23,911 50	2,588 71	430 12	380,253 02	4,889 70
1916	151,663 02	18,196 52	2,819 27	-	40,319 47	4,803 73	846 24	485,953 61	5,890 02
1917	169,200 46	23,370 72	4,532 00	-	50,844 19	6,837 23	1,450 64	506,946 60	5,511 06
1918	176,071 58	27,648 72	6,575 11	-	83,334 85	7,407 79	2,124 26	682,037 94	7,622 27
1919	224,562 91	32,993 48	9,513 08	-	69,674 41	9,874 14	3,058 87	825,887 84	10,146 73
1920	272,480 80	42,465 44	7,496 99	\$400 59	99,219 03	12,248 85	4,272 91	989,814 74	12,688 53
1921	308,478 58	52,898 43	7,356 19	-	70,122 22	5,900 70	1,210,591 20	1,200,076 44	36,666 25
1922	367,408 79	65,325 45	16,162 12	-	87,389 89	20,299 24	7,744 97	1,466,713 45	51,822 63
1923	404,690 87	82,271 12	11,153 11	945 23	140,923 62	46,626 19	10,434 66	229,570 35	67,075 58
1924	443,704 00	98,448 62	19,804 00	2,745 83	127,692 04	31,684 55	17,778 96	2,163,158 67	1,827,095 86
1925	474,821 44	115,396 18	19,888 83	3,299 23	191,446 16	27,720 65	15,337 06	3,003,384 45	2,567,712 86
1926	510,791 24	126,421 55	2,145 53	-	207,183 07	31,281 36	2,267 274 35	4,621,386 80	2,939 150 89
1927	562,073 35	146,113 37	24,602 86	3,231 31	176,068 64	42,262 31	20,618 24	6,068,522 38	3,354,894 11
1928	596,918 82	168,177 11	36,626 36	3,081 79	186,691 10	46,795 19	25,001 10	557,985 68	135,752 00
1929	624,882 19	182,003 47	29,682 32	2,418 12	200,935 78	51,439 12	28,397 92	79,227 84	18,304 00
1930	693,636 33	206,624 46	37,487 30	3,971 84	187,344 83	62,310 53	33,276 08	93,248 95	4,381,416 52
1931	755,735 11	234,775 26	50,229 31	3,409 63	166,541 46	46,722 56	38,603 79	1,721,204 14	215,171 00
1932	824,097 14	286,778 29	47,112 25	7,942 71	166,287 09	102,417 35	44,852 45	5,311,481 85	4,944,428 98
1933	862,657 14	298,859 06	67,137 94	10,964 14	214,461 47	142,126 18	57,293 21	1,482,494 49	5,610,997 33
1934	858,048 39	331,042 70	64,455 18	8,566 12	271,297 96	134,113 62	70,547 24	1,691,137 83	6,337,796 00
								8,079,423 69	8,889,477 42
								53,831 61	52,715 00

"Regular Interest," interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months periods only." Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of each year and is figured on the accumulation of the account on the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i.e., 1934, 3 plus 1½ equals 4½%.

**ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE
STATE EMPLOYEES' RETIREMENT SYSTEM OF THE COMMON-
WEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE
1, 1912.**

**STATEMENT FOR THE YEAR ENDING DEC. 31, 1934, MADE TO THE COMMISSIONER OF
INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5, SECTION 3,
CHAPTER 32, GENERAL LAWS.**

INCOME

Members' deposits	\$858,048 39	
Deductions for teachers' retirement board	2,172 86	\$860,221 25
Interest received on investments (less \$8,582.67 accrued interest paid on securities purchased during the year)		353,541 76
Members' deposits used to purchase annuities	\$92,811 67	
Interest on same	41,301 95	
Adjustment in book value of securities (amortized values)		134,113 62
Securities sold (gain, selling price over cost)		254 45
Received from Commonwealth:		
For payment of pensions for service prior to June 1, 1912	\$140,028 74	
For payment of pensions for service subsequent to June 1, 1912	75,879 06	
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00	
For payment of pensions to members retired for permanent accidental injuries	11,353 34	
For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	12,560 07	
To cover loss in annuity reserve 12-31-33		240,021 21
Credited to members' accounts:		6,635 00
Regular interest at 3% compounded semi-annually	\$227,641 69	
Extra dividend at 1½%	103,401 01	
Total		331,042 70
Interest and dividend credited to annuity reserve		21,566 48
For reimbursement of State institutions	\$4,390 00	
For salaries	9,487 78	
For expenses	966 60	
Total		14,844 38
Adjustment of refunds		
Total income		\$1,962,240 85
Balance December 31, 1933		7,890,525 17
Total		\$9,852,769 02

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$271,297 96	
Deposits refunded, including interest, to representatives of deceased members	64,455 18	
Adjustment of refunds	5 75	
Members' deposits plus interest used to purchase annuities		134,113 62
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment		240,021 21
Annuities paid to members from their contributions	70,547 24	
Regular interest and extra dividend credited to members' accounts		331,042 70
Salaries and contingent expenses		14,844 38
Refunds to estates of deceased annuitants who at the time of their retirement elected the refund annuity option		8,566 12
Adjustment book value of securities (amortized values)		16,524 07
Deposits, Normal School to teachers' retirement board		2,172 86
Interest and dividend credited to annuity reserve		21,566 48
Total disbursements		\$1,175,157 57
Balance December 31, 1934		8,677,611 45
Total		\$9,852,769 02

LEDGER ASSETS

Investments par value \$8,335,325; amortized value	\$8,607,073 75	
Bond matured but unpaid	25,000 00	
Cash	45,537 70	
Total ledger assets		\$8,677,611 45

NON-LEDGER ASSETS

Accrued interest on investments	\$134,135 89	
Deposits receivable from treasurers of institutions, etc.	68,283 02	
Due from Commonwealth, net loss in annuity fund	9,447 06	
Gross assets		\$8,889,477 42

LIABILITIES

Deposits of members including \$68,283.02 in hand of agents of the Board	\$6,325,886	34
Regular interest and extra dividends credited to members' accounts	1,926,285	17
Unpaid annuities due Dec. 31, 1934	353	53
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	2,741	27
Annuity Reserve	520,715	00
Annuity reserve (special)		
Surplus (undivided profits)	113,496	11
 Total liabilities	\$8,889,477	42

MEMBERSHIP EXHIBIT

Members' accounts:	
Active members December 31, 1933	12,285
Accounts payable (Deaths inc.)	298
Admitted during 1934	1,400
	13,983
Deduct:	
Members retired	78
Members deceased	77
Members left service	1,170
Accounts closed during year	1,325
Plus accounts payable	277
" " "	29
	1,631
Active accounts (members contributing on 12-31-34)	12,352
Accounts payable (former employees not employed 12-31-34) amounting to (\$ 5,354 44)	277
" " " to estate, etc., of deceased members	(\$18,875 87)
Retired members:	
Members retired December 31, 1933	501
Members retired during 1934:	
Between 60-70 years age	45
At age 70	25
With 35 years' service under age 60	1
Ordinary disability	2
Accidental disability	3
With spouse	2
	78
Retired members who died during year	32
Members retired December 31, 1934	547
Non-members:	
Pensions to widows account of death of husband from injuries received in line of duty (12-31-33)	14
Number granted to widows during year	2
	16
Widows deceased during year	0
Total widows on list 12-31-34	16
Under Sec. 5 (2) C (b)	1
Total on pension roll, December 31, 1934	564

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1934, to the best of our knowledge and belief.

CHARLES F. HURLEY
ELIZABETH F. MOLONEY
HARRY SCHWARTZMAN, M.D. } *Board of Retirement.*

Subscribed and sworn to before me this eleventh day of February, 1935.

A. HARRIS PATON,
Notary Public.

SECURITIES DECEMBER 31, 1934

BONDS

DESCRIPTION	RATE PERCENT	PAR VALUE
U. S. Liberties 4th	4 1/2	\$19,000.00
U. S. Treasury	4 1/4	197,200.00
U. S. Treasury	3 3/4	18,700.00
Akron, Ohio	6	16,000.00
" "	5 1/2	90,000.00
" " Refunding	5	4,200.00
" "	5	50,000.00
" "	4 3/4	25,000.00
" "	4 1/2	25,000.00
" "	4 1/4	25,000.00
Alabama, State of	4 1/2	20,000.00
" "	4 1/4	25,000.00
Atlantic City, N.J.	4 1/2	29,000.00
Baltimore, Md.	5	100,000.00
" "	4	25,000.00
Barre, Vt	4	56,000.00
Barrington, R.I.	4	7,000.00
Bayonne, N.J.	5	10,000.00
" "	4 1/2	60,000.00
" "	4 1/4	29,000.00
Berlin, N.H.	4 1/2	20,000.00
Birmingham, Ala.	5	50,000.00
" "	4 1/2	59,000.00
Boston, Mass.	4 1/4	60,000.00
" "	4	152,000.00
" "	3 3/4	5,000.00
" "	3 1/2	156,000.00
Boston Met. District	4 3/4	300,000.00
Bridgeport, Ct.	5	10,000.00
" "	4 3/4	8,000.00
Bristol, Ct.	5	20,000.00
" "	4 1/2	11,000.00
Brockton, Mass.	4	21,000.00
" "	3 1/2	1,000.00
Burrillville, R.I.	3 1/2	15,000.00
Calif., State of	4	25,000.00
Cambridge, Mass.	5	10,000.00
" "	4 1/2	30,000.00
" "	3 3/2	10,000.00
" "	2 1/2	20,000.00
Camden, N.J.	5 1/2	5,000.00
Canton, Ohio	6	20,000.00
" "	5 1/2	39,000.00
" "	5	35,000.00
" "	4 1/4	16,000.00
Chelsea, Mass.	4 1/4	5,000.00
" "	4	5,000.00
Cincinnati, Ohio	5	75,000.00
" "	4 1/2	57,000.00
Cleveland, Ohio	5 1/2	75,000.00
" "	5	61,000.00
" "	4 3/4	101,000.00
" "	4 1/2	45,000.00
Columbus, Ohio	5 1/2	11,000.00
" "	5	40,000.00
" "	4 1/2	69,000.00
Cranston, R.I.	4 1/2	44,000.00
" "	4 1/4	32,000.00
" "	4	50,000.00
Dallas, Texas	4 1/2	195,000.00
Danbury, Ct.	3 1/2	5,000.00
Dayton, Ohio	6	25,000.00
" "	5	35,000.00
" "	4 3/4	16,000.00
" "	4 1/2	58,000.00
" "	4	10,000.00
Dennis, Mass.	4	10,000.00
Denver, Colo.	4 1/4	30,000.00
DesMoines, Iowa	5	38,000.00
" "	4 1/2	50,000.00
" "	4	5,000.00
Detroit, Mich.	5 1/4	5,000.00
" "	5	19,000.00
" "	4 1/2	75,000.00
Elizabeth, N.J.	4 1/4	40,000.00
Everett, Mass.	4 1/4	10,000.00
" "	4	16,000.00
Fall River, Mass.	4 1/4	15,000.00
" " "	4	5,000.00
" " "	3 1/2	12,000.00
Flint, Mich.	5	8,000.00
" "	4 1/2	30,000.00
" " "	4 1/4	4,000.00
" " Refunding	3	875.00

DESCRIPTION	RATE PERCENT	PAR VALUE
Fort Worth, Texas	5	25,000.00
" "	4½	17,000.00
Framingham, Mass.	4¼	20,000.00
" "	4	4,000.00
Grand Rapids, Mich.	4½	62,000.00
" " Refunding	4¾	22,000.00
Hamilton, Ohio	5½	3,000.00
Haverhill, Mass.	3¾	5,000.00
Holyoke, Mass.	4½	4,000.00
" "	4	29,000.00
Houston, Texas	5	12,000.00
" "	4¾	15,000.00
" "	4½	25,000.00
Illinois, State of	4	25,000.00
Jersey City, N.J.	5½	85,000.00
" "	5	50,000.00
" "	4¾	10,000.00
Kansas, State of	4½	50,000.00
Lansing, Mich.	4½	75,000.00
" "	4¾	3,000.00
Lawrence, Mass.	5¾	50,000.00
Leominster, Mass.	5	68,000.00
Lewiston, Me.	4¼	30,000.00
Lima, Ohio, Refunding	6	2,000.00
Lorain, Ohio, Refunding	6	8,250.00
Lorain, Ohio	5	5,000.00
" "	4½	7,000.00
Los Angeles, Calif.	6	25,000.00
" "	5	120,000.00
" " Harbor	4¾	10,000.00
Louisiana, State of	5	37,000.00
" " (Port Com)	4½	25,000.00
" " "	5	133,500.00
" " "	4¾	5,000.00
Louisville, Ky.	4½	5,000.00
Lynchburg, Va.	5	25,000.00
Lynn, Mass.	5	15,000.00
" "	4	80,000.00
" "	3¾	5,000.00
Malden, Mass.	4¾	4,000.00
Mass. Add. Water Loan	4	50,000.00
Maynard, Mass.	3¾	30,000.00
Medford, Mass.	4½	36,000.00
" "	4	5,000.00
Met. Add. Water Loan	4	50,000.00
Michigan Highway	4½	100,000.00
Michigan, State of	5¾	122,000.00
" "	5	48,000.00
" "	4½	54,000.00
Minneapolis, Minn.	4¾	73,000.00
" "	4½	22,000.00
" "	4	40,000.00
Minnesota, State of	4¾	170,000.00
" "	4½	50,000.00
" "	4¼	25,000.00
Missouri, State of	5	55,000.00
" "	4¼	25,000.00
Montgomery, Ala.	5	15,000.00
Muskegon, Mich.	4½	30,000.00
" "	4	35,000.00
Nashville, Tenn.	5	8,000.00
Newark, N.J.	5½	10,000.00
" "	4½	10,000.00
New Bedford, Mass.	4	5,000.00
New Jersey, State of	5	23,000.00
" "	4½	80,000.00
Newport, R.I.	4½	15,000.00
" "	4¾	15,000.00
Newton, Mass.	4	27,000.00
New York, State of	4½	3,000.00
No. Carolina, State of	5	30,000.00
Norwalk, Ct.	4	1,000.00
Oakland, Calif.	4¾	52,000.00
Oregon, State of	5	10,000.00
" "	4½	60,000.00
" "	4¾	20,000.00
Pasadena, Calif.	4¾	6,000.00
Pawtucket, R.I.	4½	10,000.00
" "	4¾	10,000.00
Peabody, Mass.	4	7,000.00
Penn. State of	5	80,000.00
Philadelphia, Pa.	4¼	25,000.00
Portland, Ore.	5	5,000.00
" "	4½	46,000.00
" Maine	4¾	25,000.00
Providence, R.I.	4½	25,000.00
" "	4¾	35,000.00
Quincy, Mass.	4	19,000.00
		16,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE
Reading, Mass.	4	10,000.00
Revere, Mass.	4	16,000.00
Richmond, Va.	5	44,000.00
" "	4½	25,000.00
" "	4¼	50,000.00
Rochester, N.Y.	4½	50,000.00
Russell, Mass.	4	800.00
San Antonio, Texas	5½	25,000.00
" "	5	10,000.00
San Diego Calif.	5	67,000.00
" " "	4½	15,000.00
San Francisco, Calif.	5¾	20,000.00
" " "	5	60,000.00
" " " (City and County)	4½	105,000.00
" " " "	5	150,000.00
Santa Monica, Calif.	5	10,000.00
Seattle, Wash.	5	13,000.00
Somerville, Mass.	4	58,000.00
Springfield, Mass.	3¾	35,900.00
St. Louis, Mo.	4½	73,000.00
" "	4½	70,000.00
St. Paul, Minn.	5½	30,000.00
" " "	4½	40,000.00
" " "	4½	29,000.00
" " "	4¼	56,000.00
" " "	4	25,000.00
Stamford, Ct.	4¼	10,000.00
Superior, Wis.	4½	14,000.00
Tacoma, Wash.	4½	34,000.00
Taunton, Mass.	4½	18,000.00
" "	4	10,000.00
Tennessee, State of	5¼	5,000.00
" " "	4¾	50,000.00
" " "	4½	20,000.00
Toledo, Ohio	5	43,500.00
" "	4¾	44,000.00
Trenton, N.J.	4½	44,000.00
Waltham, Mass.	5	17,000.00
" "	4½	20,000.00
" "	4½	34,000.00
" "	4¼	6,000.00
" "	4	22,000.00
" "	3¾	20,000.00
Warwick, R.I.	4	32,000.00
Waterbury, Ct.	4½	10,000.00
" "	4½	5,000.00
West Virginia, State of	4½	14,000.00
" " "	4¼	145,000.00
" " "	4	21,000.00
Weymouth, Mass.	4½	5,000.00
Wheeling, West Va.	5	75,000.00
" "	4	15,000.00
Wilmington, No. Carolina	5	25,000.00
" "	4½	58,000.00
Woonsocket, R.I.	6	5,000.00
" "	5	5,000.00
" "	4½	5,000.00
Youngstown, Ohio	6	17,000.00
" "	5½	8,000.00
" "	5	20,000.00
" "	4½	15,000.00
" "	4½	20,000.00

NOTES

Blanford, Mass.	4½	\$17,500.00
Dracut, Mass. Water Sup. Dist.	5½	2,400.00
Leyden, Mass.	4½	3,000.00
Pembroke, Mass.	3½	24,000.00
Provincetown, Mass.	4½	1,000.00
Revere, Mass.	4½	42,000.00
Scituate, Mass.	4½	18,500.00

\$8,335,325.00

SECURITIES MATURED AND UNPAID

Detroit, Mich. 12-1-34 5% \$25,000.00

RECAPITULATION BY MATURITIES

Within five years.....	.....	\$1,127,900.00
Between five and fifteen years.....	.....	4,354,925.00
Between fifteen and thirty years.....	.....	2,643,500.00
Over thirty years.....	.....	209,000.00

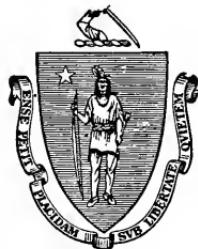
\$8,335,325.00



The Commonwealth of Massachusetts

ANNUAL REPORT
OF THE
BOARD OF RETIREMENT
FOR THE
YEAR ENDING NOVEMBER 30, 1935

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

The Commonwealth of Massachusetts

REPORT

DIVISION OF BOARD OF RETIREMENT
STATE HOUSE, BOSTON, November 30, 1935.

To the Honorable Senate and House of Representatives:

The twenty-fourth annual report of the Board of Retirement for the year 1935 is herewith presented for your consideration.

No change in the personnel of the Board occurred during the year.

The contributory law has been in operation since January 1, 1912, twenty-four years, and the present fund consists of \$6,862,321.44, which has been deducted from the salaries or wages of the members, and \$2,160,370.52 which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of contributing members amounts to \$9,022,691.96.

The annuity reserve for the payment of annuities to members on the retired list is \$610,317.00 and the gross assets are \$9,755,840.00. The Board with the approval of the Commissioner of Insurance, credited to active accounts on June 30, 1935, \$95,068.78 as an extra dividend at the rate of one and one-quarter per cent on the dollars standing to the credit of such accounts on September 30, 1934. Regular interest amounting to \$249,096.20 was also credited to members' accounts during the year which plus \$95,068.78 (surplus) made a total distribution of interest amounting to \$344,164.98.

The interest derived from the investment of the annuity fund has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1931, $4\frac{1}{2}\%$; 1932, $4\frac{1}{2}\%$; 1933, $4\frac{1}{2}\%$; 1934, $4\frac{1}{2}\%$; 1935, $4\frac{1}{4}\%$. The annuity fund is invested in securities which are a legal investment for the sinking funds of the Commonwealth (Chap. 29, G.L., Sec. 38, as amended), these being principally the obligations of certain States and political subdivisions thereof. The savings plus accumulated interest refunded to members who left the service during the year was \$256,827.39 and the amount refunded to the heirs, estates or beneficiaries of members who died before retirement was \$62,433.08, and after retirement was \$16,337.25. There was also paid during said year in annuities \$82,283.24 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January, 1912) was \$3,324, and the contributing members on November 30, 1935 were 13,135; males, 7,429; females, 5,706. There are 278 accounts payable to former members who left the service between 1912-1935 inclusive, present address unknown, amounting to \$8,030.79 and 24 accounts payable to estates or beneficiaries of deceased members amounting to \$7,168.89.

TABLE 1
STATISTICS RELATING TO EMPLOYEES RETIRED DURING YEAR ENDING
NOVEMBER 30, 1935

	Cases	Average Age at Retirement	Average Years of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary . . .	1	58	28	\$1,793 00	\$131 16	\$202 20	\$333 36
Accidental . . .	6	58	22	1,731 48	139 70	666 62	806 32
Retirement under 60 with 35 or more years service	—	—	—	—	—	—	—
Retirements (Age 60-70 Inc.)	72	68	27	2,220 02	237 36	454 —	691 65
Retirements with Spouse . . .	—	—	—	—	—	—	—

When a member is retired he receives a RETIREMENT ALLOWANCE. A retirement allowance is composed of two parts: ANNUITY (paid from his contributions plus interest credited thereto during service) plus PENSION (paid by the State). Spouse: when a husband or wife retires the spouse may also retire at the same time simply on the right acquired by the other. The retirement allowance is based on the service rendered, etc., with no minimum. Special provision is made for retirement under age 60 with 35 or more years of service.

During the year ending November 30, 1935, 1965 new employees became members of the Association and 1078 left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 79 persons during the year; 44 by reason of reaching the age of 70; 1 for ordinary disability; 6 for permanent disability resulting from accidental injury in line of duty; 28 between sixty and seventy years of age upon their request. The total of the retiring allowances of the 79 employees retired during the year ending November 30, 1935 is \$54,970.08. Of this amount, \$18,059.40 was annuity derived from the contributions made by the members before retirement and the balance of \$36,910.68 was pension paid from State appropriations. Two applications were approved for pensions amounting to \$1,230.00 to widows of members on account of the death of the husband from injuries received in line of duty.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Eighteen payments are now being made under this law. The largest payment to a widow is \$990.00; the average is \$750.26.

TABLE 2
TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1935
(AGE NEAREST BIRTHDAY)
Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males	45	32	26	27	21	26	28	40	29	33	27	388	722
Females	35	30	18	12	21	11	21	16	7	25	15	95	306
Totals	80	62	44	39	42	37	49	56	36	58	42	483	1,028

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 1,022 members and 6 non-members and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 18. Since retirement 444 members and 5 non-members have died, so that retirement allowances are now being paid to 579 former employees. Of this number 251 were retired at the age of seventy or over; 260 were retired upon their request between sixty and seventy years of age; 14 were retired with 35 years of service under age sixty; 8 were wives retired at time of retirement of husband; 23 were retired for ordinary permanent disability; 22 were retired for permanent accidental disability because of such injuries received in the line of duty. In addition 1 non-member who was over fifty-five years of age when the retirement law was passed and who was retired upon the request of the department in which he was employed is now receiving the minimum payment.

TABLE 3

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1935, ACCORDING TO AGE LAST BIRTHDAY (WIDOWS EXCLUDED)

Age	No.	Age	No.	Age	No.	Age	No.
44	1	57	5	70	57	83	8
45	1	58	2	71	49	84	10
46	-	59	1	72	50	85	4
47	-	60	6	73	45	86	6
48	1	61	7	74	33	87	-
49	-	62	11	75	28	88	2
50	1	63	12	76	37	89	1
51	3	64	13	77	18	90	2
52	-	65	13	78	23	91	2
53	1	66	17	79	16	92	-
54	1	67	9	80	11	93	1
55	1	68	19	81	14		
56	2	69	21	82	13		
						Total . . .	578

The average age of persons on the retired list is 72.15 years.

During the year ending November 30, 1935, \$259,743.44 was paid as pensions to persons upon the retired list as compared with \$238,592.03 for the previous year and in addition the State paid \$9,447.06 covering the net loss to maintain the annuity reserve on December 31, 1934. The largest retirement allowance being paid to an individual is \$2,232.00 composed of an annuity paid from the savings of the retired member of \$374.64 and a pension paid by the State of \$1,857.36. The average retirement allowance paid to retired employees on the list November 30, 1935 is \$599.50. The total annual retirement allowances of persons on the list November 30, 1935 is \$357,446.15, divided as follows; annuity, \$87,717.52; pension, \$269,728.63 (widows' pensions included, \$13,504.81).

The retirement system has 871 members who may voluntarily retire during the coming fiscal year; and 41 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates for the amount of appropriations required to pay the cost of pensions for the next fiscal year upon experience it has gained that 4% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$14,300.00 in addition to the amount of pensions \$269,700.00 in force on November 30, 1935. The Board has requested an appropriation of \$284,000.00 to cover the cost of pensions for the year ending November 30, 1936.

TABLE 4

ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR MAINTENANCE OF PENSION SYSTEM, 1912-1935, (NOV. 30TH)

Year	Cost of Pensions, etc.	Salaries ¹ , Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners	Year	Cost of Pension, etc.	Salaries ¹ , Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners
1912	\$5,343 71 ²	\$5,082 66	\$10,426 37	43	1924	110,346 84	12,054 23	122,401 07	329
1913	17,576 31	6,619 37	24,195 68	75	1925	120,010 05	12,373 90	132,383 95	342
1914	24,955 18	7,996 22	32,951 40	98	1926	128,330 75	12,647 23	140,977 98	352
1915	30,433 91	8,999 45	39,433 36	118	1927	138,028 54	14,010 04	147,038 58	377
1916	36,753 81	9,725 32	46,479 13	138	1928	149,401 42	13,641 45	163,042 87	399
1917	43,944 47	9,421 15	53,365 62	163	1929	158,133 44	14,737 52	172,870 96	416
1918	50,094 87	9,074 21	59,169 08	174	1930	167,230 87	15,430 53	182,661 40	433
1919	56,052 47	10,289 20	66,341 67	197	1931	178,078 55	15,841 10	193,919 65	438
1920	63,125 37	11,786 93	74,912 30	210	1932	190,429 64	15,606 81	206,126 45	464
1921	72,301 18	10,790 65	83,091 83	243	1933	217,182 66	15,283 33	232,465 99	513
1922	83,556 88	10,987 70	94,494 58	263	1934	245,227 03	14,706 05	259,933 08	550
1923	98,294 23	11,559 40	109,853 63	294	1935	269,190 50	15,733 52	284,924 02	597

¹The reimbursement is made to show the estimated additional cost of bookkeeping caused by the operation of the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the State as yearly income and the amount of such income paid to thirty-nine institutions and schools in 1935 was \$4,195.00.

²Cost for 6 months. (First pension was paid 6-1-1912.)

The expenses of the administration of the system for the year were: Salaries, \$9,888.70; contingent expenses, \$1,649.82; reimbursement to institutions for mak-

ing deductions from members' salaries, etc., \$4,195.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system (See foot note Table 4).

TABLE 5

ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR PENSIONS PAID TO EMPLOYEES RETIRED FROM THE METROPOLITAN DISTRICT SERVICE
Year 1935

PARK DIVISION				SEWER DIVISION		WATER DIVISION	TOTAL
Park Maintenance	Boule- vards ¹	Charles River Basin	Wellington Bridge	North System	South System		
\$7,874 91	\$2,700 26	\$8,631 07	\$522 03	\$6,830 67	\$6,878 47	\$19,338 46	\$47,775 87

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Metropolitan District. Such assessments become a part of the general revenue of the Commonwealth in the year in which the assessments are made.

¹An equal amount was paid by the State without Reimbursement. The first reimbursement was made in 1928, covering 1922-1927 inclusive. 1932, \$28,361.58; 1933, \$31,413.58; 1935, \$39,179.43.

The annual cost of pensions as given in table 4 is the gross cost of all pensions including the amount paid to employees retired from the service of the Metropolitan District Commission. The net cost of pensions paid to employees retired from the direct service of the Commonwealth is the difference between the amount stated in table 4 and the reimbursement made to the state in the following year as given in table 5. The reimbursement in 1935 covers the cost for 1934.

Respectfully submitted,

CHARLES F. HURLEY, *Chairman*

ELIZABETH F. MOLONEY

HARRY SCHWARTZMAN, M.D.

SOME FACTS ABOUT THE CONTRIBUTORY RETIREMENT LAW FOR STATE EMPLOYEES.

Membership—The Law has been in operation since January 1, 1912. The system is contributory and accumulates an amount which at retirement provides a part and ultimately in most cases one-half of the total retirement benefit. The Law compels each permanent employee of the State or Metropolitan District Commission to save systematically for retirement purposes, and when he retires the State rewards his thrift by creating a fund equal to the sum he has provided for himself, thereby increasing his account 100% and dividing the cost of retirement benefit equally between the State and the employee, with the exception that the State pays in addition the cost of administration expenses. The system is contractual and the employee has the right to retire but he also may be retired with the approval of the Board of Retirement upon the request of the head of the department in which he is employed.

Assessments—Every member of the Retirement Association except some employed prior to June 1, 1918 is required to pay 5% of the salary he receives up to but not exceeding \$35.00 per week, but in no case shall the annual maximum assessment exceed \$91.00 per year. The assessments plus interest represent the compulsory savings account to the credit of each member. In case of death or resignation before retirement, the total contributions plus interest are refunded to the employee, his estate or beneficiary as the case may be.

REQUIREMENTS FOR RETIREMENT

1. Any time between ages 60 and 70 with 15 or more years service.
2. Any age with 15 years service for ordinary permanent disability.
3. Any age with 35 years service.
4. Compulsory retirement at age 70.

5. Any time after membership in retirement association for permanent disability resulting from an injury received in an accident while in the discharge of duty without fault of the member.

DEATH BENEFIT

If an accidental injury received by a member in the discharge of his duty results in his death, his widow will receive during her widowhood a pension of one-half the member's rate of salary at the time of the injury, or, if there is no widow the amount is paid for the benefit of a child or children under sixteen years of age.

ANNUAL RETIREMENT ALLOWANCE

Each retired member receives an annual income called *Retirement Allowance* which is guaranteed for life without change. *The Retirement Allowance consists of Two Parts:—Annuity and Pension.* ANNUITY—The annuity is purchased on the basis of regular life insurance tables by the amount which the retiring member has to his credit in the annuity fund. A member has a choice *At the time of Retirement* of taking (a) life annuity or (b) cash refund annuity, and he must then choose the one best suited to his particular case. If the annuitant lives to receive annuity payments equal to the purchase price the income will continue throughout the life time of the annuitant irrespective of how long he may live thereafter.

(a) *Life Annuity.* This form of annuity gives the largest life income provided by the law. It is paid for life and all payments cease upon death.

(b) *Cash Refund Annuity.* The annuity payments under this form are payable for life and if the member dies before the sum of the annuity payments which he has received equals the amount of his account used to purchase the annuity at the date of his retirement the difference will be paid in one sum to his estate or his beneficiary as the case may be. The annuity payments under this form are less than under option (a).

TABLE 6

ANNUITIES PURCHASED BY EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH AND OTHER PAYMENTS ON SAID DATE
(See Table 1 for average retirement allowance for 1935)

YEAR	BASIS FOR RETIREMENT		TOTAL ANNUITIES			ANNUITIES PAID NOV. 30TH	
	Age and Service (15 or More Yrs. Service)	PERMANENT DISABILITY		Granted During Year	Released by Deaths During Year	In Force November 30th	*Average Annuity on Said Date
		Ordinary	Accidental				
1931 .	\$5,318 52	\$87 24	\$109 80	\$5,515 59	\$1,861 79	\$39,914 28	\$94 36
1932 .	10,526 60	90 60	578 16	11,195 36	2,684 75	48,424 89	107 61
1933 .	17,113 68	237 96	497 64	17,849 28	2,982 98	63,291 19	127 60
1934 .	14,322 48	92 16	141 24	14,555 88	3,082 07	74,765 00	137 94
1935 .	17,190 04	131 16	738 20	18,059 40	5,106 88	87,717 52	152 29

The Retirement Association was organized June 1, 1912 and the Annuities cover only the period of service during which the Employee was a contributing member since said date.

*The Average Retirement allowance is the sum of the average annuity Table 6, and the average pension Table 7.

PENSION

The Pension is a definite amount guaranteed for life without change in amount. It is paid from State appropriations and is equal to the annuity under option (a) to which the member was entitled from his own account. In order to make this annual payment, the State must create a fund as large as the member provides for himself. The employee and the State will each provide one-half of the Retirement Allowance Benefit. The pension is not reduced if the member chooses the option (b) annuity.

SUMMARY

To arrive at the cost or amount of retirement benefits, the figures quoted in table 6 must be combined with the figures quoted in table 7.

TABLE 7
TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH AND OTHER PAYMENTS ON SAID DATE.
(¹See Table 1 for Average Retirement Allowances for 1935)

YEAR	ANNUAL PENSIONS GRANTED			Total Pensions			Pensions Paid on Nov. 30th			
	(A) Service Prior to June 1, 1912	(B) Service after June 1, 1912	(C) To make Minimum Retirement Allowance	Pensions to Members	Pensions to Widows, etc.	Granted during Year		Released by Death during Year	In Force Nov. 30th	*Average Pension on said Date
1931	\$5,176.92	\$6,085.92	\$1,045.80	\$1,511.76	\$2,308.08	\$13,820.40	\$9,771.60	\$179,671.06	\$399.96	\$1,989.36
1932	15,600.67	12,103.92	1,253.76	—	—	31,266.43	12,226.55	198,710.94	419.16	1,989.36
1933	16,442.28	13,184.44	1,318.44	2,248.08	\$2,102.52	41,641.32	11,543.00	228,809.26	436.32	1,857.36
1934	9,219.36	16,448.28	1,437.48	1,156.44	1,573.44	29,835.00	10,805.24	247,839.02	432.51	1,857.36
1935	11,724.36	19,475.04	1,711.56	3,999.72	1,230.00	38,140.68	16,251.07	269,728.63	447.21	1,857.36

At retirement a member receives a RETIREMENT ALLOWANCE. A retirement allowance is composed of two parts; PENSION (paid by the State) plus ANNUITY (paid from contributions plus interest credited to the member's account during his service). (*See Table 1.*)

Members began to contribute from salary or wages June 1, 1912, and the pension for service after 6-1-1912 is equivalent to the annuity purchased by the member without refund provisions. The entire cost of the retirement allowance (pension plus annuity) for service prior to 6-1-12 is paid by the State.

If the sum of pensions (A plus B) added to the ANNUITY (paid from member savings plus interest additions) does not exceed \$300, the State pays the additional pension (C) to make a minimum retirement allowance of not less than \$300 for less than twenty-five years of service. Any member retired after September, 1929, with

^xThe average retirement allowance is the sum of the average annuity Table 6, and the average pension Table 7.

TABLE 8
COMPARATIVE STATEMENT OF MEMBERSHIP, AS OF NOVEMBER 30

YEAR	Members Admitted during Year	Number to Beneficiaries or Estates of Deceased Members	All Others	REFUNDS		NUMBER PENSIONS				MEMBERSHIP									
				PERMANENT DISABILITY OR DEATH		35 or More Years' Service Under Age 60 ²	Voluntary (age 60 to 70)	Compulsory (age 70)	Retirement with Spouse		Non-members (Age 60 and Over)	Retired During Year (Dependents Excluded)	Active ^a and Accts Payable	Mortality	RETIRED				
				Accidental Injuries received in performance of duty	Ordinary				Men-	De-									
Mem.	Adm.	to Ben.	All Oth.	Accid.	Ordin.	Men-	De-	Hus-	band	Mem-	Non-	De-	pend-	ents					
bers	during	ficaries	Others	Injuries	ary	bers	pend-	Wife	Hus-	bers	Mem-	bers	pend-	ents					
Totals	1912—	1926	incl.	2	3	27	12	260	184	4	—	6	495	8,370	153	341	1	3	
1926	1,867	57	1,417	2	2	3	1	14	17	—	—	—	37	8,726	30	348	1	3	
1927	1,820	64	1,256	3	2	5	—	17	20	—	—	—	45	9,191	22	371	1	5	
1928	1,770	57	1,343	1	3	1	—	14	24	—	—	—	40	9,521	21	390	1	8	
1929	1,757	38	1,295	3	1	1	1	18	17	1	—	—	41	9,904	24	407	1	8	
1930	1,783	52	1,119	1	3	1	1	21	20	—	—	—	44	10,472	30	421	1	11	
1931	2,271	73	960	2	—	1	—	10	18	1	—	—	32	11,678	27	426	1	11	
1932	1,904	70	891	3	—	2	1	21	28	1	—	—	56	12,565	30	452	1	11	
1933	1,325	67	1,189	4	3	4	—	25	50	—	—	—	83	12,551	37	498	1	14	
1934	1,383	78	1,151	2	2	1	1	43	27	2	—	—	76	12,629	31	543	1	16	
1935	1,965	73	1,005	6	2	1	—	28	44	—	—	—	79	13,437	44	578	1	18	
Totals						29	18	47	17	471	449	9	0	6	1,028	—	449	—	—

Retirement association organized Feb. 1, 1912, with membership 3,324.

Active members Nov. 30, 1935—males 7,429; females 5,706, a/c payable to widow, or if no widow, for benefit of child or children while under sixteen years of age, if death is the natural and proximate result of accidental injuries occurring in performance and within the scope of duty.

²Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

^aActive Accounts are present employees and Accounts payable are unpaid accounts of deceased members and unclaimed accounts of former members whose present address is unknown.

TABLE 9
COMPARATIVE FINANCIAL STATEMENT AS OF DECEMBER 31ST

Year	Deposits Received During the Year	Interest and Surplus Credited to Members' Accounts During the Year	Refunds of Deposits and Interest		Annuities		Contributing Members		Rate of Surplus Credited to Members' Accounts	
			To Estate or Beneficiary		Deposits and Interest of Members Retired during Year to Purchase		Paid During Year to Retired Members			
			Before Retirement	After Retirement	Net Deposits	Net Interest	Net Deposits	Reserve for Payment of Annuities to Retired Members		
1912	\$54,737 11	\$278 74	\$22 73	—	\$1,352 23	\$149 60	\$3 67	\$278 74	\$149 53	
1913	108,255 86	2,650 88	354 54	—	6,966 58	926 65	81 79	2,833 50	159,122 78	
1914	132,142 37	7,587 34	1,101 92	—	15,213 21	1,626 71	204 98	2,524 89	282,380 79	
1915	140,750 10	10,681 46	2,541 65	—	23,911 50	2,588 71	430 12	19,799 34	4,889 50	
1916	151,663 02	18,196 52	2,819 27	—	40,319 47	4,803 73	846 24	485,953 61	549,954 50	
1917	169,200 46	23,370 72	4,532 00	—	50,844 19	6,857 23	1,450 64	55,511 06	14,596 19	
1918	176,071 58	27,648 72	6,575 11	—	83,334 85	7,407 79	2,124 26	682,637 94	76,222 27	
1919	294,562 91	32,993 48	9,513 08	—	69,074 41	9,874 14	3,058 87	825,887 84	10,467 13	
1920	272,480 80	42,465 44	7,496 99	\$400 59	99,219 03	12,248 85	4,272 91	989,814 74	27,688 53	
1921	308,478 58	52,898 43	7,356 19	—	70,122 22	19,834 13	5,900 70	133,521 60	36,656 25	
1922	367,408 79	65,325 45	16,162 32	—	87,389 89	20,299 12	7,744 97	1,210,591 20	51,825 63	
1923	404,690 79	82,271 12	11,153 11	—	140,933 79	25,026 19	10,434 65	229,570 35	67,075 58	
1924	443,704 72	98,445 62	18,804 00	—	127,892 04	31,684 58	12,778 96	294,937 37	1,827,095 86	
1925	474,821 44	115,396 18	19,888 83	—	191,446 16	27,720 06	15,337 06	371,130 87	3,103,211 44	
1926	510,791 24	126,421 55	31,866 53	—	207,183 07	31,281 36	17,920 64	2,267,274 45	4,62,386 80	
1927	562,073 45	146,113 37	32,231 31	—	176,068 64	42,262 31	20,618 24	2,963,613 57	1,727,15 00	
1928	596,918 82	168,177 11	36,626 36	3,081 79	186,591 10	46,795 19	3,332,893 55	79,227 84	3,354,894 11	
1929	624,882 19	182,063 47	29,632 32	2,418 12	200,955 78	51,439 12	28,397 92	3,721,204 14	937,248 95	
1930	693,436 33	206,624 46	37,487 30	—	187,314 83	62,310 53	33,276 08	4,186,233 69	2,094,577 04	
1931	755,755 11	234,775 26	50,289 31	—	165,511 46	46,722 56	38,603 79	4,727,428 45	5,610,997 33	
1932	824,097 14	266,778 29	47,112 25	—	166,287 09	44,852 45	102,417 15	1,283,131 89	6,370,972 95	
1933	862,657 14	298,859 06	67,187 94	10,964 14	214,461 47	112,126 18	57,293 21	5,939,167 06	7,239,416 02	
1934	880,048 39	331,042 18	6,455 18	8,966 12	271,297 96	70,547 24	131,113 62	4,727,96 00	8,079,423 69	
1935	900,031 62	334,164 98	16,337 25	62,483 08	256,837 39	165,362 06	82,283 24	2,160,370 52	1,12,750 32	

"Regular Interest" interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months periods only." Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of each year and is figured on the accumulation of the account on the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i.e., 1935, 3 plus $\frac{1}{4}$ equals 4 $\frac{1}{4}$ %.

**ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE
STATE EMPLOYERS' RETIREMENT SYSTEM OF THE COMMON-
WEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE
1, 1912.**

**STATEMENT FOR THE YEAR ENDING DEC. 31, 1935, MADE TO THE COMMISSIONER
OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5,
SECTION 3, CHAPTER 32, GENERAL LAWS.**

INCOME

Members' deposits	\$900,330 60	
Less transfer from annuity reserve	298 98	\$900,031 62
Interest received on investments (less \$9,532.24 accrued interest paid on securities purchased during the year)		395,237 65
Members' deposits used to purchase annuities	\$103,706 02	
Interest on same	51,556 04	155,262 06
Adjustment in book value of securities (amortized values)		3,296 50
Securities sold (gain, selling price over cost)		
Received from Commonwealth:		
For payment of pensions for service prior to June 1, 1912	\$145,698 61	
For payment of pensions for service subsequent to June 1, 1912	89,418 36	
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00	
For payment of pensions to members retired for permanent accidental injuries	13,967 92	
For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	12,609 63	
To cover loss in annuity 12-31-34		261,894 52
Credited to members' accounts:		9,447 06
Regular interest at 3% compounded semi-annually	\$249,096 20	
Extra dividend at 1 1/4%	95,068 78	
Interest and dividend credited to annuity reserve		344,164 98
Administration expenses:		24,034 00
For reimbursement of State institutions	\$4,195 00	
For salaries	10,047 41	
For expenses	1,738 90	
Adjustment of refunds		15,981 31
Total income		
Balance December 31, 1934		\$2,109,349 70
		8,677,611 45
Total		\$10,786,961 15

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$256,827 39	
Deposits refunded, including interest, to representatives of deceased members	62,433 08	
Adjustment of refunds	2 30	
Members' deposits plus interest used to purchase annuities		155,262 06
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment		261,894 52
Annuities paid to members from their contributions		82,283 24
Regular interest and extra dividend credited to members' accounts		344,164 98
Salaries and contingent expenses		15,981 31
Refunds to estates of deceased annuitants who at the time of their retirement elected the refund annuity option		16,337 25
Adjustmnt book value of securities (amortized values)		28,358 38
Interest and dividend credited to annuity reserve		24,034 00
Total disbursements		\$1,247,578 51
Balance December 31, 1935		9,539,382 64
Total		\$10,786,961 15

LEDGER ASSETS

Investments par value \$9,168,757.15; amortized value	\$9,519,500 06	
Cash	19,882 58	
Total ledger assets		\$9,539,382 64

NON-LEDGER ASSETS

Accrued interest on investments	\$139,710 31	
Deposits receivable from treasurers of institutions, etc.	68,830 42	
Due from Commonwealth, net loss in annuity fund	7,916 95	
Gross assets		\$9,755,840 32

LIABILITIES

Deposits of members including \$68,830.42 in hand of agents of the Board	\$6,862,321 44
Regular interest and extra dividends credited to members' accounts	2,160,370 52
Unpaid annuities due Dec. 31, 1935	-----
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	1,786 34
Annuity reserve	610,317 00
Annuity reserve (special)	
Surplus (undivided profits)	121,045 02
Total liabilities	\$9,755,840 32

MEMBERSHIP EXHIBIT

Members' accounts:

Deduct:

Members retired	78
Members deceased	72
Members left service	<u>992</u>
Accounts closed during year	1,142
Plus accounts payable	278
" " accounts " A/c deaths	<u>25</u>
	1,445

Active accounts (members contributing on 12-31-35) 13,173
 Accounts payable (former employees not employed 12-31-35) amounting to (\$8,030 79) 278
 " " to estate, etc., of deceased members (\$7,168 89) 24

Retired members:

Members retired December 31, 1934	.	.	.	.	.	.	.	547
Members retired during 1935:								
Between 60-70 years age	.	.	.	.	.	.	.	27
At age 70	.	.	.	.	.	.	.	46
With 35 years' service under age 60	.	.	.	.	.	.	.	—
Ordinary disability	.	.	.	.	.	.	.	—
Accidental disability	.	.	.	.	.	.	.	5
With spouse	.	.	.	.	.	.	.	—

Retired members who died during year

Members retired December 31, 1935 581

Non-members:

Pensions to widows account of death of husband from injuries received in line of duty (12-31-34)	16
Number granted to widows during year	<u>2</u>
	<u>—</u>
Widows deceased during year	18 0
Total widows on list 12-31-35	18
Pensioners under Sec. 5 (2) C (b) :	<u>1</u>
	<u>—</u>
	19
Total on pension roll, December 31, 1935	600

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1935, to the best of our knowledge and belief.

CHARLES F. HURLEY }
HARRY SCHWARTZMAN, M.D. } *Board of Retirement.*

Subscribed and sworn to before me this fourteenth day of February, 1936.

A. HARRIS PATON,
Justice of the

SECURITIES DECEMBER 31, 1935

BONDS

DESCRIPTION	RATE PERCENT	PAR VALUE
U. S. Treasury	4 1/4	\$197,200.00
U. S. Treasury	4 1/4	81,800.00
U. S. Treasury	3 1/4	18,700.00
U. S. Treasury	2 7/8	11,000.00
U. S. American Treasury	2 7/8	8,000.00
Akron, Ohio	6	16,000.00
" "	5 1/2	90,000.00
" " Refunding	5	4,200.00
" "	5	50,000.00
" "	4 3/4	25,000.00
" "	4 1/2	25,000.00
" "	4 1/4	25,000.00
Alabama, State of	4 1/2	20,000.00
" "	4 1/4	25,000.00
Atlantic City, N. J.	4 1/2	29,000.00
Baltimore, Md.	5	100,000.00
Barre, Vt.	4	56,000.00
Barrington, R. I.	4	7,000.00
Bayonne, N. J.	5	10,000.00
" "	4 1/2	110,000.00
" "	4 1/4	29,000.00
Berlin, N. H.	4 1/2	20,000.00
Birmingham, Ala.	5	50,000.00
" "	4 1/2	59,000.00
Boston, Mass.	5	1,000.00
" "	4 1/2	15,000.00
" "	4 1/4	95,000.00
" "	4	164,000.00
" "	3 3/4	10,000.00
" "	3 1/2	148,000.00
Boston Met. District	4 3/4	300,000.00
" "	3	50,000.00
Bridgeport, Ct.	5	10,000.00
" "	4 3/4	8,000.00
Bristol, Ct.	5	20,000.00
Brockton, Mass.	4 1/2	11,000.00
" "	4 1/4	5,000.00
Burrillville, R. I.	4	21,000.00
Calif. State of	3 1/2	15,000.00
Cambridge, Mass.	4	25,000.00
" "	5	10,000.00
" "	4 1/2	30,000.00
" "	4 1/4	20,000.00
" "	3 1/2	10,000.00
" "	2 1/2	20,000.00
Camden, N. J.	5 1/2	5,000.00
Canton, Ohio	6	20,000.00
" "	5 1/2	39,000.00
" "	5	35,000.00
" "	4 1/4	16,000.00
Chelsea, Mass.	4 1/4	15,000.00
" "	4	5,000.00
Cincinnati, Ohio	5	75,000.00
" "	4 1/2	37,000.00
Cleveland, Ohio	5 1/2	63,000.00
" "	5	61,000.00
" "	4 3/4	101,000.00
" "	4 1/2	45,000.00
Columbus, Ohio	5 1/2	11,000.00
" "	5	40,000.00
" "	4 1/2	69,000.00
" "	4	36,000.00
Cranston, R. I.	4 1/2	44,000.00
" "	4 1/4	32,000.00
" "	4	50,000.00
Dallas, Texas	4 1/2	195,000.00
Danbury, Ct.	3 1/2	5,000.00
Dayton, Ohio	6	25,000.00
" "	5	35,000.00
" "	4 3/4	16,000.00
" "	4 1/2	58,000.00
" "	4	10,000.00
Dennis, Mass.	4	10,000.00
Denver, Colo.	4 1/4	30,000.00
Des Moines, Iowa	5	38,000.00
" "	4 1/2	50,000.00
" " "	4	5,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE
Detroit, Mich.	5 1/4	5,000.00
" "	5	9,000.00
" " Refunding, Series A.	4 1/2	35,000.00
" " Refunding, Series A.	4 1/2	45,000.00
" " Refunding, Series B.	3 1/4	30,000.00
" " Refunding, Series C	3 1/4	1,525.00
Dover, N. H.	4 1/4	3,717.15
Elizabeth, N. J.	4 1/4	8,000.00
Everett, Mass.	4 1/4	40,000.00
" "	4	10,000.00
Fall River, Mass.	4 1/4	16,000.00
" "	4	15,000.00
" "	3 1/2	5,000.00
Flint, Mich.	5	7,000.00
" "	4 1/2	8,000.00
" " Refunding	4 1/4	30,000.00
Fort Worth, Texas	5	4,000.00
" "	4 1/2	875.00
Framingham, Mass.	4 1/4	25,000.00
" "	4	17,000.00
Fresno, Calif.	4 1/2	20,000.00
Grand Rapids, Mich.	4 1/2	4,000.00
Hamilton, Ohio	5 1/2	30,000.00
Haverhill, Mass.	3 3/4	5,000.00
Holyoke, Mass.	4	29,000.00
Houston, Texas	5	12,000.00
" "	4 1/2	25,000.00
Illinois, State of	4	25,000.00
Ipswich, Mass.	3 1/4	2,340.00
Jersey City, N.J.	5 1/2	85,000.00
" "	5	50,000.00
" "	4 3/4	10,000.00
Kansas, State of	4 1/2	50,000.00
Lawrence, Mass.	5 3/4	50,000.00
Leominster, Mass.	5	64,000.00
Lewiston, Me.	4 1/4	30,000.00
Lima, Ohio, Refunding	6	2,000.00
Long Beach, Calif.	4 3/4	25,000.00
" "	4 1/2	17,500.00
Lorain, Ohio, Refunding	6	8,250.00
Lorain, Ohio	5	5,000.00
" "	4 1/2	7,000.00
Los Angeles, Calif.	6	25,000.00
" "	5	158,000.00
" " Harbor	4 3/4	10,000.00
" " "	4 3/4	20,000.00
" "	4 1/4	25,000.00
Louisiana, State of	5	37,000.00
" "	4 1/2	25,000.00
" " (Port Com)	5	133,500.00
" " "	4 3/4	5,000.00
Louisville, Ky.	4 1/2	5,000.00
Lowell, Mass.	2 1/4	28,000.00
Ludlow, Mass.	4	23,000.00
Lynchburg, Va.	5	25,000.00
Lynn, Mass.	5	15,000.00
" "	4 1/4	15,000.00
" "	4	80,000.00
" "	3 3/4	5,000.00
" "	3 3/4	72,000.00
" "	3 1/4	5,000.00
Malden, Mass.	4 1/4	4,000.00
" "	3 1/4	13,000.00
Mass. Add. Water Loan	4	50,000.00
Maynard, Mass.	3 3/4	40,000.00
Medford, Mass.	4 1/2	46,000.00
" "	4	15,000.00
" "	3 1/2	12,000.00
" "	3	8,000.00
Methuen, Mass.	4 1/2	12,000.00
Met. Add. Water Loan	4	50,000.00
Michigan, State of	5 3/4	122,000.00
" "	5	48,000.00
Michigan Highway	4 1/2	100,000.00
Michigan, State of	4 1/2	54,000.00
Minneapolis, Minn.	4 3/4	73,000.00
" "	4 1/2	20,000.00
" "	4	34,000.00
Minnesota, State of	4 3/4	170,000.00
" "	4 1/2	50,000.00
" "	4 1/4	25,000.00
Missouri, State of	5	55,000.00
" "	4 1/4	25,000.00
Montgomery, Ala.	5	15,000.00
Muskegon, Mich.	4 3/2	30,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE
Muskegon, Mich.	4	35,000.00
Nashville, Tenn.	5	8,000.00
Newark, N.J.	5 1/2	10,000.00
" "	4 1/2	10,000.00
New Bedford, Mass.	4	32,000.00
" "	3 3/4	10,000.00
New Jersey, State of	5	23,000.00
" "	4 1/2	80,000.00
Newport, R.I.	4 1/2	15,000.00
" "	4 1/4	15,000.00
Newton, Mass.	4	2,000.00
New York, State of	4 1/2	3,000.00
No. Carolina, State of	5	30,000.00
Norwalk, Ct.	4	1,000.00
Oakland, Calif.	4 3/4	52,000.00
Oregon, State of	5	10,000.00
" "	4 1/2	60,000.00
" "	4 1/4	20,000.00
Pawtucket, R.I.	4 1/2	10,000.00
" "	4 1/4	10,000.00
Peabody, Mass.	4	7,000.00
Penn, State of	5	80,000.00
Philadelphia, Pa.	4 1/4	25,000.00
Pittsfield, Mass.	4 1/4	3,000.00
Portland, Ore.	5	5,000.00
" "	4 1/2	46,000.00
" Maine	4 1/4	25,000.00
Providence, R.I.	4 1/2	25,000.00
" "	4 1/4	35,000.00
Quincy, Mass.	4 1/4	19,000.00
" "	2 3/4	5,000.00
Reading, Pa.	4	25,000.00
Reading, Mass.	4	23,000.00
Revere, Mass.	4	10,000.00
Richmond, Va.	5	16,000.00
" "	4 1/2	44,000.00
" "	4 1/4	25,000.00
Rochester, N.Y.	4 1/2	50,000.00
San Antonio, Texas	5 1/2	25,000.00
" "	5	10,000.00
San Bernardino, Calif.	4 1/4	21,500.00
San Diego, Calif.	5	67,000.00
" "	4 1/2	15,000.00
" "	4 1/4	20,000.00
San Francisco, Calif.	5 3/4	60,000.00
" "	5	105,000.00
" "	4 1/2	175,000.00
" " "(City and County)	5	10,000.00
Santa Monica, Calif.	5	92,000.00
" "	4 1/2	51,000.00
Seattle, Wash.	5	58,000.00
" "	4 1/2	40,000.00
Somerville, Mass.	4	38,900.00
Springfield, Mass.	3 3/4	73,000.00
St. Louis, Mo.	4 1/2	70,000.00
" "	4 1/4	30,000.00
Stoughton, Mass.	3 3/4	5,000.00
St. Paul, Minn.	5 1/2	40,000.00
" "	4 1/2	29,000.00
" "	4 1/4	56,000.00
" "	4	25,000.00
Stamford, Ct.	4 1/4	10,000.00
Superior, Wis.	4 1/2	14,000.00
Swampscott, Mass	4	6,000.00
Tacoma, Wash.	4 1/2	34,000.00
Taunton, Mass.	4 1/2	18,000.00
" "	4	10,000.00
Tennessee, State of	5 1/4	5,000.00
" "	4 3/4	50,000.00
" "	4 1/2	20,000.00
Toledo, Ohio	5	18,500.00
" "	4 3/4	44,000.00
" "	4 1/2	19,000.00
Trenton, N.J.	5	17,000.00
" "	4 1/2	20,000.00
Walpole, Mass.	4 1/2	5,000.00
Waltham, Mass.	5	34,000.00
" "	4 1/4	6,000.00
" "	4	22,000.00
" "	3 3/4	20,000.00
" "	2 1/2	8,000.00
Warwick, R.I.	4	6,000.00
" " Town of	4	26,000.00
Washington, State of	4	25,000.00
Waterbury, Ct.	4 1/2	10,000.00
" "	4 1/4	5,000.00
West Virginia, State of	4 1/2	14,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE
West Virginia, State of	4 1/4	145,000.00
" " "	4	21,000.00
Weymouth, Mass.	4 1/2	5,000.00
" " "	3 3/4	5,000.00
Wheeling, West Va.	5	75,000.00
" " "	4	15,000.00
Wilmington, No. Carolina	5	25,000.00
" " "	4 1/2	58,000.00
Woburn, Mass.	3	45,000.00
Woonsocket, R.I.	6	5,000.00
" " "	5	5,000.00
Youngstown, Ohio	4 1/2	17,000.00
" " "	6	3,000.00
" " "	5 1/2	20,000.00
" " "	5	15,000.00
" " "	4 1/2	20,000.00

NOTES

Blandford, Mass.	4 1/4	14,500.00
Dracut, Mass. Water Sup. Dist.	5 1/4	2,000.00
Leyden, Mass.	4 1/4	2,250.00
Pembroke, Mass.	3 1/2	24,000.00
Revere, Mass.	4 1/4	42,000.00
Scituate, Mass.	4 1/2	18,500.00

\$9,168,757.15

RECAPITULATION BY MATURITIES

Within five years.....	\$1,631,915.00
Between five and fifteen years.....	5,029,600.00
Between fifteen and thirty years.....	2,402,242.15
Over thirty years.....	105,000.00
	\$9,168,757.15



The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

BOARD OF RETIREMENT

FOR THE

YEAR ENDING NOVEMBER 30, 1936

Department of Treasurer and Receiver-General



ASS.
OCS.
OLL.

The Commonwealth of Massachusetts

REPORT

DIVISION OF BOARD OF RETIREMENT
STATE HOUSE, BOSTON, November 30, 1936.

To the Honorable Senate and House of Representatives:

The twenty-fifth annual report of the Board of Retirement for the year 1936 is herewith presented for your consideration.

The personnel of the Board consists of three members: (1) The Treasurer and Receiver General, Chairman ex officio; (2) A member of the Retirement Association; (3) a person appointed by the first and second members. Miss Rebecca J. Greene was elected for a term of three years beginning February 16, 1936 upon ballots cast by members of the Retirement Association as the employee representative member of the Board.

The contributory law has been in operation since January 1, 1912, twenty-five years, and the present fund consists of \$7,497,104.17 which has been deducted from the salaries or wages of the members, and \$2,426,698.02 which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of contributing members amounts to \$9,923,812.19.

The annuity reserve for the payment of annuities to members on the retired list is \$665,177.00 and the gross assets are \$10,691,437.26. The Board with the approval of the Commissioner of Insurance, credited to active accounts on June 30, 1936, \$104,313.81 as an extra dividend at the rate of one and one-quarter per cent on the dollars standing to the credit of such accounts on September 30, 1935. Regular interest amounting to \$274,036.30 was also credited to members' accounts during the year which plus \$104,313.81 (surplus) made a total distribution of interest amounting to \$378,350.11.

The interest derived from the investment of the annuity fund has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1932, 4½%; 1933, 4½%; 1934, 4½%; 1935, 4¼%; 1936, 4¼%. The annuity fund is invested in securities which are a legal investment for the sinking funds of the Commonwealth (Chap. 29, G. L., Sec. 38, as amended), these being principally the obligations of certain States and political subdivisions thereof. The savings plus accumulated interest refunded to members who left the service during the year was \$278,047.31 and the amount refunded to the heirs, estates or beneficiaries of members who died before retirement was \$67,538.07 and after retirement was \$18,927.23. There was also paid during said year in annuities \$91,846.83 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January, 1912) was 3,324, and the contributing members on November 30, 1936 were 14,708; males, 8,356; females, 6,352. There are 278 accounts payable to former members who left the service between 1912-1936 inclusive, present address unknown, amounting to \$8,387.19 and 35 accounts payable to estates or beneficiaries of deceased members amounting to \$21,919.51.

TABLE 1

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1936, ACCORDING TO AGE LAST BIRTHDAY (WIDOWS EXCLUDED)

Age	No.	Age	No.	Age	No.	Age	No.
44	-	57	2	70	55	83	12
45	1	58	5	71	56	84	5
46	1	59	1	72	45	85	9
47	-	60	2	73	48	86	3
48	-	61	9	74	43	87	5
49	1	62	8	75	30	88	-
50	-	63	13	76	26	89	-
51	1	64	11	77	31	90	1
52	5	65	15	78	17	91	1
53	-	66	14	79	21	92	1
54	2	67	18	80	16	93	-
55	1	68	9	81	11	94	1
56	1	69	20	82	13	Total	590

The average age of persons on the retired list is 72.45 years.

During the year ending November 30, 1936, 2,752 new employees became members of the Association and 1,106 left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 62 persons during the year; 36 by reason of reaching the age of 70; 1 for ordinary disability; 2 for permanent disability resulting from accidental injury in line of duty; 22 between sixty and seventy years of age upon their request. The total of the retiring allowances of the 62 employees retired during the year ending November 30, 1936 is \$46,097.28. Of this amount, \$15,975.84 was annuity derived from the contributions made by the members before retirement and the balance of \$30,121.44 was pension paid from State appropriations. Three applications were approved for pensions amounting to \$2,760.00 to widows of members on account of the death of the husband from injuries received in line of duty.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under sixteen years of age, of one-half the member's rate of pay in case of the death of a member from an injury received through no fault of his own while in the discharge of his duty. Twenty-one payments are now being made under this law. The largest payment to a widow is \$1,230.00; the average is \$774.51.

TABLE 2

TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1936
(AGE NEAREST BIRTHDAY)

Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males	48	33	26	27	23	26	29	41	31	33	28	413	758
Females	35	31	18	14	23	12	22	18	8	26	16	109	332
Totals	83	64	44	41	46	38	51	59	39	59	44	522	1,090

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 1,084 members and 6 non-members and the total number of payments granted to widows on account of death of husband from accidental injuries received in line of duty is 21. Since retirement 495 members and 5 non-members have died, so that retirement allowances are now being paid to 590 former employees. Of this number 266 were retired at the age of seventy or over; 258 were retired upon their request between sixty and seventy years of age; 14 were retired with 35 years of service under age sixty; 9 were retired as spouse at time of retirement of husband or wife; 21 were retired for ordinary permanent disability; 21 were retired for permanent accidental disability because of such injuries received in the line of duty. In addition 1 non-member who was over fifty-five years of age when the retirement law was passed and who was retired upon the request of the department in which he was employed is now receiving the minimum payment.

TABLE 3
STATISTICS RELATING TO EMPLOYEES RETIRED DURING YEAR ENDING
NOVEMBER 30, 1936

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary . . .	1	52	19	\$949.03	\$105.36	\$194.64	\$300.00
Accidental . . .	2	56	16	1,149.00	61.14	502.74	563.88
Retirement under 60 with 35 or more years service . . .	-	-	-	-	-	-	-
Retirements (Age 60-70 Inc.) . . .	58	68	30	2,078.00	268.66	495.78	764.44
Retirements with Spouse . . .	1	55	24	1,925.00	166.32	166.32	332.64

When a member is retired he receives a RETIREMENT ALLOWANCE. A retirement allowance is composed of two parts: ANNUITY (paid from his contributions plus interest credited thereto during service) plus PENSION (paid by the State). Spouse: when a husband or wife retires the spouse may also retire at the same time simply on the right acquired by the other. The retirement allowance is based on the service rendered, etc., with no minimum. Special provision is made for retirement under age 60 with 35 or more years of service.

During the year ending November 30, 1936, \$273,997.61 was paid as pensions to persons upon the retired list as compared with \$259,743.44 for the previous year and in addition the State paid \$7,916.95 covering the net loss to maintain the annuity reserve on December 31, 1935. The largest retirement allowance being paid to an individual is \$2,232.00 composed of an annuity paid from the savings of the retired member of \$374.64 and a pension paid by the State of \$1,857.36. The average retirement allowance paid to retired employees on the list November 30, 1936 is \$615.16. The total annual retirement allowances of former employees on the list November 30, 1936 is \$362,946.34 divided as follows: annuity \$97,289.79; pension \$281,921.36 and in addition widows' pensions amounting to \$16,264.81.

The retirement system has 813 members who may voluntarily retire during the coming fiscal year; and 48 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates for the amount of appropriations required to pay the cost of pensions for the next fiscal year upon experience it has gained that 4% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$16,300.00 in addition to the amount of pensions \$281,921.36 in force November 30, 1936. The Board has requested an appropriation of \$298,200.00 to cover the cost of pensions for the year ending November 30, 1937.

TABLE 4
ANNUAL COST TO STATE ACCOUNT OF DISBURSEMENTS FOR PENSIONS AND FOR MAINTENANCE OF PENSION SYSTEM, 1912-1936, (NOV. 30TH)

Year	Cost of Pensions, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners	Year	Cost of Pension, etc.	Salaries, ¹ Supplies, Reimbursement	Total (See Table 5)	No. of Pensioners
1912	\$5,343 71 ²	\$5,082 66	\$10,426 37	43	1925	120,010 05	12,373 90	132,383 95	342
1913	17,576 31	6,619 37	24,195 68	75	1926	128,330 75	12,647 23	140,977 98	352
1914	24,955 18	7,996 22	32,951 40	98	1927	133,028 54	14,010 04	147,038 58	377
1915	30,433 91	8,999 45	39,433 36	118	1928	149,401 42	13,641 45	163,042 87	399
1916	36,753 81	9,725 32	46,479 13	138	1929	158,133 44	14,737 52	172,870 96	416
1917	43,944 47	9,421 15	53,365 62	163	1930	167,230 87	15,430 53	182,661 40	433
1918	50,094 87	9,074 21	59,169 08	174	1931	178,078 55	15,841 10	193,919 65	438
1919	56,052 47	10,289 29	66,341 67	197	1932	190,429 64	15,696 81	206,126 45	464
1920	63,125 37	11,786 93	74,912 30	210	1933	217,182 66	15,283 33	232,465 99	513
1921	72,301 18	10,790 65	83,091 83	243	1934	24,5227 03	14,706 05	259,933 08	550
1922	83,556 88	10,937 70	94,494 58	263	1935	269,190 50	15,733 52	284,924 02	597
1923	98,294 23	11,559 40	109,853 63	294	1936	281,914 56	17,146 71	299,061 27	611
1924	110,346 84	12,054 23	122,401 07	329					

¹The reimbursement is made to show the estimated additional cost of bookkeeping caused by the operation of the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the State as yearly income and the amount of such income paid to thirty-nine institutions and schools in 1936 was \$4,151.00.

²Cost for 6 months. (First pension was paid 6-1-1912.)

The expenses of the administration of the system for the year were: salaries, \$10,755.90; contingent expenses, \$2,239.81; reimbursement to institutions for making deductions from members' salaries, etc., \$4,151.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the probable cost of operating the system (See foot note Table 4).

TABLE 5
ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR
PENSIONS PAID TO EMPLOYEES RETIRED FROM THE METROPOLITAN
DISTRICT SERVICE
Year 1936

PARK DIVISION				SEWER DIVISION		WATER DIVISION	TOTAL
Park Maintenance	Boule- vards ¹	Charles River Basin	Wellington Bridge	North System	South System		
\$7,130 43	\$2,944 56	\$3,586 29	\$522 03	\$8,179 10	\$8,035 55	\$20,050 17	\$50,448 13

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Metropolitan District. Such assessments become a part of the general revenue of the Commonwealth in the year in which the assessments are made.

¹An equal amount was paid by the State without Reimbursement. The first reimbursement was made in 1928, covering 1922-1927 inclusive. 1933, \$31,413.58; 1934, \$39,179.43; 1935, \$47,775.87.

The annual cost of pensions as given in table 4 is the gross cost of all pensions including the amount paid to employees retired from the service of the Metropolitan District Commission. The net cost of pensions paid to employees retired from the direct service of the Commonwealth is the difference between the amount stated in table 4 and the reimbursement made to the state in the following year as given in table 5. The reimbursement in 1936 covers the cost for 1935.

Respectfully submitted,

CHARLES F. HURLEY, *Chairman*
REBECCA J. GREENE
HARRY SCHWARTZMAN, M.D.

SOME FACTS ABOUT THE CONTRIBUTORY RETIREMENT LAW FOR STATE EMPLOYEES.

Membership—The Law has been in operation since January 1, 1912. The system is contributory and accumulates an amount which at retirement provides a part and ultimately in most cases one-half of the total retirement benefit. The Law compels each permanent employee of the State or Metropolitan District Commission to save systematically for retirement purposes, and when he retires the State rewards his thrift by creating a fund equal to the sum he has provided for himself, thereby increasing his account 100% and dividing the cost of retirement benefit equally between the State and the employee, with the exception that the State pays in addition the cost of administration expenses. The system is contractual and the employee has the right to retire but he also may be retired with the approval of the Board of Retirement upon the request of the head of the department in which he is employed.

Assessments—Every member of the Retirement Association except some employed prior to June 1, 1918 is required to pay 5% of the salary he receives up to but not exceeding \$35.00 per week, but in no case shall the annual maximum assessment exceed \$91.00 per year. The assessments plus interest represent the compulsory savings account to the credit of each member. In case of death or resignation before retirement, the total contributions plus interest are refunded to the employee, his estate or beneficiary as the case may be.

REQUIREMENTS FOR RETIREMENT

1. Any time between ages 60 and 70 with 15 or more years service.

2. Any age with 15 years service for ordinary permanent disability.
3. Any age with 35 years service.
4. Compulsory retirement at age 70.
5. Any time after membership in retirement association for permanent disability resulting from an injury received in an accident while in the discharge of duty without fault of the member.

DEATH BENEFIT

If an accidental injury received by a member in the discharge of his duty results in his death, his widow will receive during her widowhood a pension of one-half the member's rate of salary at the time of the injury, or, if there is no widow the amount is paid for the benefit of a child or children under sixteen years of age.

ANNUAL RETIREMENT ALLOWANCE

Each retired member receives an annual income called *Retirement Allowance* which is guaranteed for life without change. *The Retirement Allowance consists of Two Parts:—Annuity and Pension.* ANNUITY—The annuity is purchased on the basis of regular life insurance tables by the amount which the retiring member has to his credit in the annuity fund. A member has a choice *At the time of Retirement* of taking (a) life annuity or (b) cash refund annuity, and he must then choose the one best suited to his particular case. If the annuitant lives to receive annuity payments equal to the purchase price the income will continue throughout the life time of the annuitant irrespective of how long he may live thereafter.

(a) *Life Annuity.* This form of annuity gives the largest life income provided by the law. It is paid for life and all payments cease upon death.

(b) *Cash Refund Annuity.* The annuity payments under this form are payable for life and if the member dies before the sum of the annuity payments which he has received equals the amount of his account used to purchase the annuity at the date of his retirement the difference will be paid in one sum to his estate or his beneficiary as the case may be. The annuity payments under this form are less than under option (a).

TABLE 6

ANNUITIES PURCHASED BY EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH AND OTHER PAYMENTS ON SAID DATE
(See Table 1 for average retirement allowance for 1936)

YEAR	BASIS FOR RETIREMENT		TOTAL ANNUITIES			ANNUITIES PAID Nov. 30TH	
	Age and Service (15 or More Yrs. Service)	PERMANENT DISABILITY		Granted During Year	Released by Deaths During Year	In Force November 30th	*Average Annuity on Said Date
		Ordinary	Accidental				
1932 .	\$10,526 60	\$90 60	\$578 16	\$11,195 36	2,684 75	\$48,424 89	\$107 61
1933 .	17,113 68	237 96	497 64	17,849 28	2,982 98	63,291 19	127 60
1934 .	14,322 48	92 16	141 24	14,555 88	3,082 07	74,765 00	137 94
1935 .	17,190 04	131 16	738 20	18,059 40	5,106 88	87,717 52	152 29
1936 .	15,748 20	105 36	122 28	15,975 84	6,403 57	97,289 79	165 74

The Retirement Association was organized June 1, 1912 and the Annuities cover only the period of service during which the Employee was a contributing member since said date.

*The Average Retirement allowance is the sum of the average annuity Table 6, and the average pension Table 7.

PENSION

The Pension is a definite amount guaranteed for life without change in amount. It is paid from State appropriations and is equal to the annuity under option (a) to which the member was entitled from his own account. In order to make this annual payment, the State must create a fund as large as the member provides for himself. The employee and the State will each provide one-half of the Retirement Allowance Benefit. The pension is not reduced if the member chooses the option (b) annuity.

SUMMARY

To arrive at the cost or amount of retirement benefits, the figures quoted in table 6 must be combined with the figures quoted in table 7.

TABLE 7
TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH AND OTHER PAYMENTS ON SAID DATE.
(See Table 1 for Average Retirement Allowances for 1936)

YEAR	ANNUAL PENSIONS GRANTED			Total Pensions			
	Account of Age and Service divided as follows		Permanent Disability or Death Resulting from Accidental Injuries	Pensions to Members	Pensions to Widows, etc.	Granted during Year	Released by Death during Year
1932	(A) Service Prior to June 1, 1912	(B) Service after June 1, 1912	(C) To make Minimum Retirement Allowance	\$1,253.76	\$2,308.08	\$31,266.43	\$12,226.55
1933	\$15,600.67	\$12,103.92	\$19,440.00	2,248.08	\$2,192.52	41,641.32	\$198,710.94
1934	16,442.28	16,448.00	16,448.28	1,156.44	1,573.44	228,809.00	436.32
1935	9,219.36	19,475.36	19,475.04	1,437.48	1,230.00	10,805.24	432.51
1936	11,724.36	10,436.28	10,436.00	1,711.56	3,999.72	16,251.07	447.21
				1,089.60	1,005.48	2,760.00	450.26
						33,061.44	281,921.36
						20,868.71	

At retirement a member receives a RETIREMENT ALLOWANCE. A retirement allowance is composed of two parts; PENSION (paid by the State) plus ANNUITY (paid from contributions plus interest credited to the member's account during his service). (See Table 1.) Members began to contribute from salary or wages June 1, 1912, and the pension for service after 6-1-1912 is equivalent to the annuity purchased by the member without refund provisions. The entire cost of the retirement allowance (pension plus annuity) for service prior to 6-1-12 is paid by the State.

If the sum of pensions (A plus B) added to the ANNUITY (paid from member's savings plus interest additions) does not exceed \$300, the State pays the additional pension (C) to make a minimum retirement allowance of not less than \$300 for less than twenty-five years of service. Any member retired after September, 1929, with twenty-five or more years service, who paid 5% assessments for all service will receive a retirement allowance not less than \$480.

*The average retirement allowance is the sum of the average annuity Table 6, and the average pension Table 7.

TABLE 8
COMPARATIVE STATEMENT OF MEMBERSHIP, AS OF NOVEMBER 30

YEAR	Members Admitted during Year	Number to Beneficiaries or Estates of Deceased Members	REFUNDS	PERMANENT DISABILITY OR DEATH				NUMBER PENSIONS				MEMBERSHIP							
				Accidental Injuries received in performance of duty		Ordinary	35 or More Years, Service Under Age 60 ²	Voluntary Service Under Age 60 ²	Compulsory (age 70)	Retirement with Spouse	Non-members (Age 60 and Over)	Total Retired During Year (Dependents Excluded)	Active ³ and Accts Payable	Mortality	Living Members	Non-Members	Dependents ¹		
				Members	Dependents														
Totals	1912—	1930	—	12	11	38	15	344	282	5	—	6	702	10,472	280	421	1	11	
	1931	2,271	73	960	2	—	—	10	18	1	—	—	32	11,678	27	426	1	11	
	1932	1,904	70	891	3	—	2	21	28	1	—	—	56	12,565	30	452	1	11	
	1933	1,325	67	1,189	4	3	4	—	25	50	—	—	83	12,551	37	498	1	14	
	1934	1,383	78	1,151	2	2	1	1	43	27	2	—	76	12,629	31	543	1	16	
	1935	1,965	73	1,005	6	2	2	—	28	44	—	—	79	13,437	44	578	1	18	
	1936	2,752	67	1,039	2	3	1	—	22	36	—	1	—	62	15,021	51	589	1	21
Totals				31	21	48	17	493	485	9	1	6	—	500	—	—	—	—	

Retirement association organized Feb. 1, 1912 with membership 3,324.

Active membership Nov. 30, 1936—males 8,356; females 6,352; a/c payable 313—including (a) deceased former members (b) former members present address unknown.

Payments to widow during widowhood, or if no widow, for benefit of child or children while under sixteen years of age, if death is the natural and proximate result of accidental injuries occurring in performance and within the scope of duty.

²Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

³Active Accounts are present employees and Accounts payable are unpaid accounts of deceased members and unclaimed accounts of former members whose present address is unknown.

TABLE 9
COMPARATIVE FINANCIAL STATEMENT AS OF DECEMBER 31ST

Year	Deposits Received During the Year	Refunds of Deposits and Interest		Annuities		Contributing Members		Gross Assets	Reserve for Payment of Annuities to Retired Members	Rate of Surplus Credited to Members' Accounts
		To Estate or Beneficiary		To Member Who Left the Service	Deposits and Interest of Members Retired During Year to Purchase	Paid During Year to Retired Members	Net Deposits			
		Before Retirement	After Retirement							
1912	\$54,737 11	\$278 74	\$22 73	\$1,352 23	\$149 60	\$3 67	\$53,212 55	\$278 74	\$149 53	\$53,831 61
1913	108,255 86	2,630 88	354 54	6,996 58	926 65	81 79	153,296 68	2,833 58	1,042 59	159,122 78
1914	132,142 37	7,587 34	1,101 92	15,213 21	1,626 71	204 92	267,786 14	10,075 86	2,524 89	22,380 79
1915	140,750 10	10,681 48	2,511 65	23,911 50	2,588 71	430 92	300,253 02	4,889 50	10,455 26	40,455 26
1916	151,663 02	18,196 52	2,819 27	40,319 47	4,803 73	846 24	485,953 61	35,890 02	8,602 71	59,454 50
1917	169,200 46	23,370 72	4,532 00	50,844 19	6,857 23	1,450 64	596,946 60	55,511 06	14,596 19	687,823 90
1918	176,071 58	27,645 72	6,575 11	83,334 85	7,407 79	2,124 26	682,637 94	76,222 27	20,092 37	806,261 36
1919	224,562 91	32,993 48	9,513 08	69,674 41	9,874 14	3,058 87	825,887 84	101,467 13	27,688 53	988,321 53
1920	272,480 80	42,465 44	7,496 99	99,219 03	12,218 85	4,272 91	989,814 74	133,521 60	36,666 25	1,200,076 44
1921	308,478 58	52,898 43	7,356 19	70,122 22	19,834 13	5,900 51	1,210,591 20	176,809 61	51,825 63	1,459,035 57
1922	367,408 79	65,325 45	16,162 12	87,389 89	25,629 24	7,744 45	1,466,713 45	229,570 35	67,075 58	1,827,095 86
1923	404,690 87	82,271 12	11,153 11	945 23	140,923 79	10,434 65	1,710,605 33	294,937 37	82,740 33	2,163,158 67
1924	443,704 72	98,448 62	9,804 00	2,745 83	127,692 04	31,084 58	12,778 96	2,003,384 45	103,211 44	2,567,712 86
1925	474,821 44	115,396 18	18,888 83	3,299 23	19,446 16	15,337 06	2,297,274 35	46,200 00	2,339,150 89	2,690 00
1926	510,791 24	126,421 55	34,866 53	2,145 53	207,183 07	31,281 31	17,920 64	2,608,522 38	135,742 00	3,354,804 11
1927	562,073 45	146,113 37	24,602 86	3,231 31	176,068 64	42,262 31	20,618 24	2,963,613 57	161,737 00	3,855,584 53
1928	596,918 82	168,177 11	36,628 36	3,081 79	186,691 10	46,755 19	25,001 10	3,322,893 55	189,304 00	4,381,416 52
1929	624,882 19	182,003 47	29,682 32	2,418 12	200,945 78	51,439 12	28,337 92	3,712,204 14	215,171 00	4,944,428 98
1930	693,636 33	206,624 46	37,487 30	1,873 44	83 83	62,310 53	33,276 08	4,186,233 69	254,025 00	5,610,997 33
1931	755,755 11	234,775 26	50,229 31	3,409 63	166,541 46	46,722 56	38,603 79	4,727,428 45	1,283,131 89	6,370,972 95
1932	824,097 14	266,778 29	47,112 25	7,942 71	166,287 09	102,417 35	44,862 45	5,311,481 85	1,482,494 49	7,239,416 02
1933	862,657 14	298,859 06	67,137 94	10,964 14	21,461 47	142,126 18	57,293 21	5,839,167 06	1,691,137 83	8,079,423 69
1934	858,048 39	331,042 70	64,455 18	8,566 12	271,297 96	134,113 62	70,751 24	6,325,886 34	1,926,285 17	8,889,477 42
1935	900,031 62	334,164 98	62,433 08	16,337 25	256,827 39	155,282 06	82,283 24	6,862,321 44	2,160,370 52	9,755,840 32
1936	996,556 18	378,350 11	67,558 07	18,927 23	278,047 31	134,863 03	91,946 83	7,497,104 17	2,426,638 02	665,177 00

"Regular Interest," interest at three per cent per annum, compounded semi-annually on the last days of December and June and reckoned for full three and six months periods only." Surplus is extra interest, in addition to "regular interest," and is distributed on June thirtieth of each year and is figured on the accumulation of the account on the preceding September thirtieth. To obtain the interest rate each year add 3% to the rate of surplus, i.e., 1936, 3 plus 1½ equals 4½%.

ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS OF THE
STATE EMPLOYERS' RETIREMENT SYSTEM OF THE COMMON-
WEALTH OF MASSACHUSETTS. CONTRIBUTIONS BEGAN JUNE
1, 1912.

STATEMENT FOR THE YEAR ENDING DEC. 31, 1936, MADE TO THE COMMISSIONER
OF INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 5,
SECTION 3, CHAPTER 32, GENERAL LAWS.

INCOME

Members' deposits	\$996,556 18
Interest received on investments (less \$10,120.45 accrued interest paid on securities purchased during the year)	421,468 65
Members' deposits used to purchase annuities	\$88,377 96
Interest on same	46,485 07
	<hr/>
Adjustment in book value of securities (amortized values)	134,863 03
Securities sold (gain, selling price over cost) . . . . .	.....
Received from Commonwealth:	.....
For payment of pensions for service prior to June 1, 1912	\$144,148 46
For payment of pensions for service subsequent to June 1, 1912	100,536 10
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00
For payment of pensions to members retired for permanent accidental injuries	14,127 58
For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	15,932 59
	<hr/>
To cover loss in annuity 12-31-35	274,944 73
Credited to members' accounts:	7,916 95
Regular interest at 3% compounded semi-annually	\$274,036 30
Extra dividend at 1 1/4%	104,313 81
	<hr/>
Interest and dividend credited to annuity reserve	378,350 11
Administration expenses:	27,104 00
For reimbursement of State institutions	\$4,151 00
For salaries	10,695 26
For expenses	2,216 01
	<hr/>
Adjustment of refunds	17,062 27
Total income	\$2,258,265 92
Balance December 31, 1935	9,539,382 64
	<hr/>
Total	\$11,797,648 56

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawing from service	\$278,047 31
Deposits refunded, including interest, to representatives of deceased members	67,538 07
Adjustment of refunds	30 72
Members' deposits plus interest used to purchase annuities	134,863 03
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment	274,944 73
Annuities paid to members from their contributions	91,846 83
Regular interest and extra dividend credited to members' accounts	378,350 11
Salaries and contingent expenses	17,062 27
Refunds to estates of deceased annuitants who at the time of their retirement elected the refund annuity option	18,927 23
Adjustment book value of securities (amortized values)	40,496 00
Interest and dividend credited to annuity reserve	27,104 00
Collection on matured securities	10 51
	<hr/>
Total disbursements	\$1,329,220 81
Balance December 31, 1936	10,468,427 75
	<hr/>
Total	\$11,797,648 56

LEDGER ASSETS

Investments par value \$10,014,107.15; amortized value	\$10,488,119 90
Cash (credit)	—19,692 15
	<hr/>
Total ledger assets	\$10,468,427 75

NON-LEDGER ASSETS

Accrued interest on investments	144,916 59
Deposits receivable from treasurers of institutions, etc.	75,482 77
Due from Commonwealth, net loss in annuity fund	2,610 15
	<hr/>
Gross assets	\$10,691,437 26

LIABILITIES

Deposits of members including \$75,482.71 in hand of agents of the Board	\$7,497,104	17
Regular interest and extra dividends credited to members' accounts	2,426,698	02
Unpaid annuities due Dec. 31, 1936	6	50
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	722	96
Annuity reserve	665,177	00
Annuity reserve (special)	101,728	61
Surplus (undivided profits)		
Total liabilities	\$10,691,437	26

MEMBERSHIP EXHIBIT

Members' accounts:

Active members December 31, 1935	13,173	
Accounts payable (Deaths inc.)	303	
Admitted during 1936	2,765	
		16,241

Deduct:

Members retired	65	
Members deceased	70	
Members left service	1,098	

Accounts closed during year	1,233	
Plus accounts payable	278	
" " " A/c deaths	35	
		1,546

Active accounts (members contributing on 12-31-36)	14,695	
Accounts payable (former employees not employed 12-31-36) amounting to (\$2,127.33)		

" " " to estate, etc., of deceased members (\$6,323.50)

Retired members:

Members retired December 31, 1935	581	
Members retired during 1936:		
Between 60-70 years age	37	
At age 70	23	
With 35 years' service under age 60	—	
Ordinary disability	1	
Accidental disability	3	
With spouse	1	
		65

Retired members who died during year	646	
		53
Members retired December 31, 1936		593

Non-members:

Pensions to widows account of death of husband from injuries received in line of duty (12-31-35)	18	
Number granted to widows during year	3	

	21	
--	----	--

Widows deceased during year	—	
		21

Total widows on list 12-31-36	21	
Pensioners under Sec. 5 (2) C (b)	1	
		22

Total on pension roll, December 31, 1936		615
--	--	------------

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1936, to the best of our knowledge and belief.

WILLIAM E. HURLEY
REBECCA J. GREENE
HARRY SCHWARTZMAN, M.D. } *Board of Retirement.*

Subscribed and sworn to before me this fourteenth day of February, 1937.

A. HARRIS PATON,
Justice of the Peace.

SECURITIES DECEMBER 31, 1936

BONDS

DESCRIPTION	RATE PERCENT	PAR VALUE
U. S. Treasury	4 1/4	\$279,000.00
" "	3 3/4	18,700.00
" "	2 7/8	11,000.00
" American Treas.	2 3/4	8,000.00
Agawam, Mass.	1 3/4	16,000.00
Akron, Ohio	6	16,000.00
" "	5 1/2	90,000.00
" "	5	54,200.00
" "	4 3/4	25,000.00
" "	4 1/2	10,000.00
" "	4 1/4	25,000.00
Alabama, State of	4 1/2	20,000.00
" "	4 1/4	25,000.00
Atlantic City, N. J.	4 1/2	29,000.00
Baltimore, Md.	5	100,000.00
Barre, Vt.	4	56,000.00
Barrington, R. I.	4	7,000.00
Bayonne, N. J.	5	10,000.00
" "	4 1/2	110,000.00
" "	4 1/4	15,000.00
Berlin, N. H.	4 1/2	20,000.00
Birmingham, Ala.	5	50,000.00
Boston, Mass.	5	59,000.00
" "	4 1/2	1,000.00
" "	4 1/4	15,000.00
" "	4	213,000.00
" "	3 3/4	360,000.00
" "	3 1/2	10,000.00
Boston, Met. Dist.	4 1/4	147,000.00
" "	3	300,000.00
Brantree, Mass.	3 1/2	60,000.00
Bridgeport, Ct.	5	29,000.00
Bristol, Conn.	4 1/4	10,000.00
Brockton, Mass.	4 1/2	8,000.00
Burrillville, R. I.	3 1/2	20,000.00
California, State of	4	5,000.00
Cambridge, Mass.	3 1/2	25,000.00
" "	5	10,000.00
" "	4 1/2	30,000.00
" "	4 1/4	20,000.00
" "	3 1/2	10,000.00
" "	2 1/2	40,000.00
Camden, N. J.	5 1/2	5,000.00
Canton, Ohio	6	20,000.00
" "	5 1/2	39,000.00
" "	5	35,000.00
" "	4 1/4	16,000.00
Chelsea, Mass.	4 1/4	15,000.00
" "	3 1/2	68,000.00
Cincinnati, Ohio	5	75,000.00
Cleveland, Ohio	4 1/2	37,000.00
" "	5 1/2	63,000.00
" "	5	61,000.00
" "	4 3/4	101,000.00
Columbus, Ohio	4 1/2	45,000.00
" "	5 1/2	11,000.00
" "	5	30,000.00
" "	4 1/2	69,000.00
" "	4	36,000.00
Cranston, R. I.	4 1/2	44,000.00
" "	4 1/4	32,000.00
" "	4	50,000.00
Dallas, Texas	4 1/2	195,000.00
Danbury, Conn.	3 1/2	5,000.00
Dayton, Ohio	6	25,000.00
" "	5	35,000.00
" "	4 3/4	16,000.00
" "	4 1/2	52,000.00
" "	4	10,000.00
Dennis, Mass.	4	10,000.00
Denver, Colo.	4 1/4	100,000.00
DesMoines, Iowa	5	38,000.00
" "	4 1/2	50,000.00
Detroit, Mich.	5 1/4	5,000.00
" "	5	9,000.00
" "	4 1/2	75,000.00
Dover, N. H.	3 1/4	5,242.15
	4 1/4	8,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE
Elizabeth, N. J.	4 1/4	\$40,000.00
Everett, Mass.	4 1/4	10,000.00
" "	4	16,000.00
Fall River, Mass.	4 1/4	15,000.00
" "	3 1/2	7,000.00
Flint, Mich.	5	8,000.00
" "	4 1/2	20,000.00
" "	4 1/4	4,000.00
Fort Worth, Texas	3	875.00
" "	5	25,000.00
Framingham, Mass.	4 1/4	20,000.00
" "	4	4,000.00
Fresno, Calif.	4 1/2	30,000.00
Grand Rapids, Mich.	4 1/2	62,000.00
Hamilton, Ohio	5 1/2	3,000.00
Haverhill, Mass.	3 3/4	5,000.00
" "	2	10,000.00
Holyoke, Mass.	4	29,000.00
Houston, Texas	5	12,000.00
" "	4 1/2	25,000.00
Illinois, State of	4	25,000.00
Ipswich, Mass.	3 1/4	2,340.00
Jersey City, N. J.	5 1/2	85,000.00
" "	5	50,000.00
" "	4 3/4	10,000.00
State of Kansas	4 1/2	50,000.00
Kansas City, Mo.	4 1/4	10,000.00
Lawrence, Mass.	5 3/4	50,000.00
" "	4	8,000.00
Leominster, Mass.	5	60,000.00
Lewiston, Me.	4 1/4	30,000.00
Lima, Ohio	6	2,000.00
Long Beach, Calif.	5	40,000.00
" "	4 3/4	50,000.00
" "	4 1/2	27,500.00
" "	4 1/4	20,000.00
" "	4	10,000.00
Lorain, Ohio	6	8,250.00
" "	5	5,000.00
" "	4 1/2	7,000.00
Los Angeles, Calif.	6	25,000.00
" "	5	183,000.00
" "	4 3/4	10,000.00
" "	4 3/4	70,000.00
" "	4 1/2	25,000.00
" "	3 3/4	35,000.00
Louisiana, State of	5	37,000.00
" "	4 1/2	25,000.00
" "	4 3/4	5,000.00
Louisville, Ky.	4 1/2	5,000.00
Lowell, Mass.	2 1/2	38,000.00
Ludlow, Mass.	4	23,000.00
Lynchburg, Va.	5	25,000.00
Lynn, Mass.	5	5,000.00
" "	4 1/4	15,000.00
" "	4	80,000.00
" "	3 3/4	77,000.00
" "	3 1/2	5,000.00
Malden, Mass.	4 1/4	4,000.00
" "	3 3/4	13,000.00
Mass. Add. Water Loan	4	50,000.00
Maynard, Mass.	3 3/4	40,000.00
Medford, Mass.	4 1/2	46,000.00
" "	4	15,000.00
" "	3 1/2	12,000.00
" "	3	18,000.00
Methuen, Mass.	4 1/4	12,000.00
Met. Addit. Water Loan	4	50,000.00
Michigan, State of	5 3/4	122,000.00
" "	5	48,000.00
Michigan Highway	4 1/2	100,000.00
Michigan, State of	4 1/2	54,000.00
Milford, Mass.	3	25,000.00
Minneapolis, Minn.	4 3/4	73,000.00
" "	4 1/2	20,000.00
" "	4	34,000.00
Minnesota, State of	4 3/4	170,000.00
" "	4 1/2	50,000.00
" "	4 1/4	25,000.00
Missouri, State of	5	50,000.00
" "	4 1/4	25,000.00
Montgomery, Ala.	5	15,000.00
Muskegon, Mich.	4 1/2	30,000.00
" "	4	35,000.00
Nashville, Tenn.	5	8,000.00
Newark, N. J.	5 1/2	10,000.00
" "	4 1/2	10,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE
New Bedford, Mass.	4	\$45,000.00
" " "	3½	10,000.00
" " "	2	11,000.00
New Jersey, State of	5	23,000.00
" " "	4½	80,000.00
Newport, R. I.	4½	15,000.00
" " "	4¼	15,000.00
Newton, Mass.	4	2,000.00
New York, State of	4½	3,000.00
No. Carolina, State of	5	30,000.00
Norwalk, Conn.	4	1,000.00
Oakland, Calif.	4¾	52,000.00
Oregon, State of	5	10,000.00
Pasadena, Calif.	4½	5,000.00
Pawtucket, R. I.	4½	10,000.00
" " "	4¾	10,000.00
Peabody, Mass.	4	7,000.00
Penn. State of	5	80,000.00
Philadelphia, Pa.	4½	25,000.00
Pittsfield, Mass.	2½	17,000.00
" " "	4½	3,000.00
Portland, Oregon	5	5,000.00
" " "	4½	46,000.00
Maine	4½	25,000.00
Providence, R. I.	4½	25,000.00
" " "	4½	35,000.00
Quincy, Mass.	4½	5,000.00
" " "	2¾	25,000.00
Reading, Mass.	4	10,000.00
Reading, Pa.	4	23,000.00
Revere, Mass.	4	16,000.00
Richmond, Va.	5	44,000.00
" " "	4½	25,000.00
" " "	4½	50,000.00
Rochester, N. Y.	4½	50,000.00
San Antonio, Texas	5½	25,000.00
" " "	5	10,000.00
San Bernardino, Calif.	4½	21,500.00
San Diego, Calif.	5	87,000.00
" " "	4½	40,000.00
" " "	4½	20,000.00
San Francisco, Calif.	5½	60,000.00
" " "	5	152,000.00
" " "	4½	189,000.00
" " "	4	30,000.00
" " " (City and County)	5	10,000.00
Santa Monica, Calif.	5	92,000.00
" " "	4½	51,000.00
Seattle, Wash.	5	58,000.00
" " "	4½	40,000.00
" " "	4½	10,000.00
Somerville, Mass.	4	38,900.00
Springfield, Mass.	3¾	73,000.00
St. Louis, Mo.	4½	70,000.00
" " "	4½	30,000.00
Stoughton, Mass.	3¾	5,000.00
St. Paul, Minn.	5½	40,000.00
" " "	4½	29,000.00
" " "	4½	56,000.00
" " "	4	25,000.00
Stamford, Conn.	4½	10,000.00
Sudbury, Mass. Water Dist.	2½	12,000.00
Superior, Wis.	4½	14,000.00
Swampscott, Mass.	4	6,000.00
Taunton, Mass.	4½	18,000.00
" " "	4	10,000.00
Tennessee, State of	5½	5,000.00
" " "	4¾	50,000.00
" " "	4½	20,000.00
Toledo, Ohio	5	18,500.00
" " "	4¾	44,000.00
" " "	4½	19,000.00
Trenton, N. J.	5	17,000.00
" " "	4½	20,000.00
Walpole, Mass.	4½	5,000.00
Waltham, Mass.	5	34,000.00
" " "	4½	6,000.00
" " "	4	22,000.00
" " "	3¾	20,000.00
" " "	2½	8,000.00
" " "	2½	6,000.00
" " "	2	19,000.00
Warwick, R. I.	4	32,000.00
Washington, State of	4	25,000.00
Waterbury, Conn.	4½	10,000.00
" " "	4½	5,000.00

DESCRIPTION	RATE PERCENT	PAR VALUE
West Virginia, State of	4½	\$14,000.00
" " "	4½	145,000.00
" " "	4	21,000.00
Weymouth, Mass.	4½	5,000.00
" " "	3¾	5,000.00
Wheeling, West Va.	5	75,000.00
" " "	4	15,000.00
Wilmington, No. Carolina	5	25,000.00
" " "	4½	58,000.00
Woburn, Mass.	3	45,000.00
Woonsocket, R. I.	6	5,000.00
" " "	5	5,000.00
Youngstown, Ohio	6	1,000.00
" " "	5½	20,000.00
" " "	5	5,000.00

NOTES

Blandford, Mass.	4½	13,000.00
Dracut Water Supp.	5½	1,600.00
Leyden, Mass.	4½	1,500.00
Pembroke, Mass.	3½	24,000.00
Revere, Mass.	4½	42,000.00
Scituate, Mass.	4½	18,500.00

\$10,014,107.15

RECAPITULATION BY MATURITIES

Within five years.....		\$2,012,360.00
Between five and fifteen years.....		5,424,100.00
Between fifteen and thirty years.....		2,472,647.15
Over thirty years.....		105,000.00

\$10,014,107.15

The Commonwealth of Massachusetts

ANNUAL REPORT
OF THE
BOARD OF RETIREMENT
FOR THE
YEAR ENDING NOVEMBER 30, 1938

Department of Treasurer and Receiver-General



MASS.
DOCS.
COLL.

NOTE.-- Public Document
No. 99 for the year
1937 is not available.

The Commonwealth of Massachusetts

REPORT

DIVISION OF BOARD OF RETIREMENT
STATE HOUSE, BOSTON, December 1, 1938.

To the Honorable Senate and House of Representatives:

The twenty-seventh annual report of the Board of Retirement for the year 1938 is presented herewith for your consideration.

The personnel of the Board consists of three members: (1) The Treasurer and Receiver General, Chairman ex officio; (2) A member of the Retirement Association; (3) A person appointed by the first and second members.

The contributory law has been in operation since January 1, 1912, twenty-seven years, and the present fund consists of \$8,920,255.59 which has been deducted from the salaries or wages of the members, and \$2,840,027.49 which has been credited as interest and extra dividends to the members' accounts, so that the total of the accounts of contributing members amounts to \$11,760,283.08.

The annuity reserve for the payment of annuities to members on the retired list is \$851,010.00 and the gross assets are \$12,811,470.52. Regular interest amounting to \$367,445.16 was credited to members' accounts during the year, which was at the rate of 3½% compounded annually.

The interest derived from the investment of the annuity fund has provided for the last five years substantially the following yearly rate of distribution to the members' accounts: 1934, 4½%; 1935, 4¼%; 1936, 4¼%; 1937, 3½%; 1938, 3½%. The annuity fund is invested in securities which are a legal investment for the sinking funds of the Commonwealth (Chap. 29, G. L., Sec. 38, as amended) these being principally the obligations of certain States and political subdivisions thereof. The savings plus accumulated interest refunded to members who left the service during the year was \$275,898.48 and the amount refunded to the heirs, estates or beneficiaries of members who died before retirement was \$97,126.57 and after retirement was \$16,747.20. There was also paid during said year in annuities \$118,419.75 from the annuity reserve fund composed of retired members' accounts, which may be compared with \$3.67, the amount of annuities paid during (1912) first year of operation of the retirement system.

The membership of the Retirement Association when it was first organized (January 1912) was 3,324, and the contributing members on November 30, 1938 were 17,296; males, 9678; females, 7,618.

TABLE 1

NUMBER OF RETIRED EMPLOYEES ON LIST NOVEMBER 30, 1938, ACCORDING TO AGE LAST BIRTHDAY (WIDOWS EXCLUDED)

Age	No.	Age	No.	Age	No.	Age	No.
44		57	1	70	59	83	7
45		58	4	71	60	84	7
46	1	59	3	72	57	85	
47	1	60	9	73	50	86	4
48	1	61	10	74	38	87	7
49		62	4	75	42	88	1
50		63	10	76	39	89	4
51	1	64	13	77	28	90	
52	1	65	17	78	22	91	
53	1	66	19	79	23	92	1
54	6	67	16	80	15	94	
55		68	17	81	20	96	
56	4	69	24	82	8	Total	666

The average age of persons on the retired list is 72.46 years.

During the year ended November 30, 1938, 3,820 new employees became members of the Association and 1,355 left the service by reason of death or resignation before becoming eligible for retirement. Retirement allowances were granted to 87 persons during the year; 49 by reason of reaching the age of 70; 2 for ordinary disability; 1 for permanent disability resulting from accidental injury in line of duty; 35 between sixty and seventy years of age upon their request. The total of the retiring allowances of the 87 employees retired during the year ended November 30, 1938 is \$61,146.36. Of this amount, \$21,990.48 was annuity derived from the contributions made by members before retirement and the balance of \$39,155.88 was pension paid from State appropriations. Three applications were approved for pensions amounting to \$3,729.96 to widows of members on account of the death of the husband from injuries received in line of duty.

The law provides compensation to a widow during her widowhood, or if there is no widow, for the benefit of a child or children under eighteen years of age, of one-half the member's rate of pay in case of death of a member from injury received through no fault of his own while in the discharge of his duty. Twenty-four payments are now being made under this law. The largest payment to a widow is \$1,890.00; the average is \$838.84.

TABLE 2

TOTAL NUMBER RETIRED UNDER THE LAW TO NOVEMBER 30, 1938
(AGE NEAREST BIRTHDAY)
Widows not included

Sex	Under 60	60	61	62	63	64	65	66	67	68	69	70	Total
Males	52	36	27	28	25	28	35	43	31	37	31	487	860
Females	44	36	20	17	24	14	29	20	11	28	23	136	402
Totals	96	72	47	45	49	42	64	63	42	65	54	623	1,262

The number of employees who have been granted a retirement allowance since the first employee was retired on June 1, 1912, is 1,256 members and 6 non-members and the total number of payments granted widows on account of death of husband from accidental injuries received in line of duty is 26. Since retirement 591 members and 5 non members have died, so that retirement allowances are now being paid to 666 former employees. Of this number 319 were retired at the age of seventy or over; 275 were retired upon their request between sixty and seventy years of age; 14 were retired with 35 years of service under age sixty; 10 were retired as spouse at time of retirement of husband or wife; 26 were retired for ordinary permanent disability; 21 were retired for permanent accidental disability because of such injuries received in the line of duty, and one non-member who was over fifty-five years of age when the retirement law was passed is now receiving the minimum payment.

TABLE 3

STATISTICS RELATING TO EMPLOYEES RETIRED DURING YEAR ENDED
NOVEMBER 30, 1938

	Cases	Average Age at Retirement	Average Length of Service	Average Salary Last 5 Years	Average Annuity	Average Pension	Average Retiring Allowance
Disability, Ordinary	2	53	25	\$1,115. 2,345.	\$102.72 128.64	\$377.28 1,030.68	\$480.00 1,159.32
Accidental	1	45	25				
Retirement under 60 with 35 or more years service	—	—	—	—	—	—	—
Retirements (Age 60-70 Inc.)	83	67.98	26.83	1,966. 1,445.	259.28 136.56	445.71 179.52	704.99 316.08
Retirements with Spouse	1	54	29				

When a member is retired he receives a RETIREMENT ALLOWANCE. A retirement allowance is composed of two parts: ANNUITY (paid from his contributions plus interest credited thereto during service) plus PENSION (paid by the State). Spouse: when a husband or wife retires the spouse may be retired at the same time for the good of the service. The retirement allowance is based on the service rendered, etc., with no minimum. Special provision is made for retirement under age 60 with 35 or more years of service.

The largest retirement allowance being paid to an individual is \$2,693.52 composed of an annuity paid from the savings of the retired member of \$411.48 and a pension paid by the State of \$2,282.04. The average retirement allowance paid to retired employees on the list November 30, 1938 is \$637.94. The total annual retirement allowances of former employees on the list November 30, 1938 was \$424,873.19 divided as follows: annuity \$125,463.36; pension \$299,409.83 and in addition widows' pensions amounting to \$20,120.29.

The retirement system has 853 members who may voluntarily retire during the coming fiscal year; and 57 who must retire at the age of seventy, the compulsory retirement age. The number who will voluntarily retire is uncertain. The Board has submitted estimates for the amount of appropriations required to pay the cost of pensions for the next fiscal year upon experience it has gained that 4% of the members eligible to retire will voluntarily retire in addition to those who must retire at the age of seventy. This will require about \$10,500.00 in addition to the amount of pensions \$319,530.12 in force November 30, 1938. The Board has requested an appropriation of \$330,000.00 to cover the cost of pensions for the year ending November 30, 1939.

TABLE 4

PAYMENTS BY COMMONWEALTH FOR PENSIONS AND ADMINISTRATION EXPENSES
OF RETIREMENT SYSTEM,
YEARS ENDED NOVEMBER 30TH.

	YEARS ENDED NOVEMBER 30TH.				
	1934	1935	1936	1937	1938
Pensions and requirements of annuity fund . . .	\$245,227.03	\$269,190.50	\$281,914.56	\$290,244.31	\$308,688.63
Expense of administration . . .	14,706.05	15,733.52	17,146.71	17,666.38	18,809.17
GROSS COST . . .	\$259,933.08	\$284,924.02	\$299,061.27	\$307,910.69	\$327,497.80

The expenses of administration of the system for the year were: salaries, \$11,641.78; contingent expenses, \$1,690.39; reimbursement to institutions for making deductions from members' salaries, \$5,477.00. The reimbursement to State institutions is purely a bookkeeping transaction to show the estimated cost of work connected with the retirement law at the institution, school, etc., located in different parts of the State. The institution or school is required by law to return such money to the general revenue of the commonwealth.

TABLE 5

ASSESSMENTS UPON METROPOLITAN DISTRICT TO REIMBURSE THE STATE FOR
PENSIONS PAID TO EMPLOYEES RETIRED FROM THE METROPOLITAN
DISTRICT SERVICE

PARK DIVISION				SEWER DIVISION		WATER DIVISION	TOTAL
Park Maintenance	Boule- vards ¹	Charles River Basin	Wellington Bridge	North System	South System		
\$9,033.64	\$3,126.85	\$3,028.14	\$522.03	\$8,820.23	\$7,531.77	\$21,430.94	\$53,493.60

Employees of the Metropolitan District Commission are members of the Retirement System for State employees. Under Chapter 251-1928 the cost of pensions paid to former employees of the Metropolitan District Commission during each year ending November 30th are assessed in the following year upon the proper section of the Metropolitan District. Such assessments become a part of the general revenue of the Commonwealth in the year in which the assessments are made.

Financial Statement Verified.

Approved.

GEORGE E. MURPHY,
Comptroller.

The annual cost of pensions as given in table 4 is the gross cost of all pensions including the amount paid to employees retired from the service of the Metropolitan District Commission. The net cost of pensions paid to employees retired from the direct service of the commonwealth is the difference between the amount stated in table 4 and the reimbursement made to the State in the following year as given in table 5. The reimbursement in 1938 covers the cost for 1937.

Respectfully submitted,

WILLIAM E. HURLEY, *Chairman*
REBECCA J. GREENE
HARRY SCHWARTZMAN, M.D.

LEGISLATION

Under Chapter 26, Resolves of 1937, the Legislature established a Commission to study various bills pertaining to the State Retirement System. The full report of the Commission, House 1582-1937, recommended a re-draft of the entire State Retirement Act which became a law under Chapter 439, Acts of 1938, effective July 1, 1938. The major changes in the law are:

1. Increase of minimum retirement allowance from \$300 to \$480 per annum. This will give greater protection to lower paid employees.
2. Contributions to be deducted from salaries up to \$2,600 instead of \$1,820. This will affect a number of higher paid employees and will provide for them a more adequate allowance.
3. The maximum retirement allowance for long service to be two thirds pay instead of half pay. This will reward long service with a better allowance and will benefit all such employees.
4. Employees in certain classes, such as police, prison officers and conservation officers, who perform dangerous and difficult work requiring men of youth and vigor, to retire at age sixty-five instead of seventy, with proper provision for extra compensation because of such earlier retirement. This will reduce the average age of employees in these classes materially, and will improve the service.

SOME FACTS ABOUT THE CONTRIBUTORY RETIREMENT LAW FOR STATE EMPLOYEES.

Membership—The Law has been in operation since January 1, 1912. The system is contributory and accumulates an amount which at retirement provides a part and ultimately in most cases one-half of the total retirement benefit. The Law compels each permanent employee of the State or Metropolitan District Commission to save systematically for retirement purposes, and when he retires the State rewards his thrift by creating a fund equal to the sum he has provided for himself, thereby increasing his account 100% and dividing the cost of retirement benefit equally between the State and the employee, with the exception that the State pays in addition the cost of administration expenses. The system is contractual and the employee has the right to retire but he also may be retired with the approval of the Board of Retirement upon the request of the head of the department in which he is employed.

Assessments—Every member of the Retirement Association is required to pay 5% of the salary he receives up to \$50.00 per week, but in no case shall the annual maximum assessment exceed \$130.00 per year. The assessments plus interest represent the compulsory savings account to the credit of each member. In case of death or resignation before retirement, the total contributions plus interest are refunded to the employee, his estate or beneficiary as the case may be.

REQUIREMENTS FOR RETIREMENT

1. Any time between ages 60 and 70 with 15 or more years' service.
2. Any age with 35 years' service.
3. Compulsory retirement—Group 1, age 65; Group 2, age 70.

4. Any time after 20 years' service if under age 60 for ordinary permanent disability.

5. Any time after membership in retirement association for permanent disability resulting from an injury received in an accident while in the discharge of duty or a hazard connected with such duty.

Group 1.—Members of the police force of the metropolitan district commission; employees of the department of correction, regardless of any official classification, whose regular duties require them to have the care and custody of prisoners including insane persons and defective delinquents at the State Farm; and conservation officers paid as such, district fire wardens and coastal wardens in the department of conservation.

Group 2.—Officials and all other employees not included in Group 1.

DEATH BENEFIT

If an accidental injury received by a member in the discharge of his duty results in his death, his widow will receive during her widowhood a pension of one-half the member's rate of salary at the time of the injury, or, if there is no widow the amount is paid for the benefit of a child or children under eighteen years of age; or if no widow or child survive then to the dependent father or mother until remarriage of either.

ANNUAL RETIREMENT ALLOWANCE

Each retired member receives an annual income called *Retirement Allowance* which is guaranteed for life without change. *The Retirement Allowance consists of Two Parts:—Annuity and Pension.* ANNUITY—The annuity is purchased on the basis of regular life insurance tables by the amount which the retiring member has to his credit in the annuity fund. A member has a choice *At the time of Retirement* of taking (a) life annuity or (b) cash refund annuity, and he must then choose the one best suited to his particular case. If the annuitant lives to receive annuity payments equal to the purchase price the income will continue throughout the life time of the annuitant irrespective of how long he may live thereafter.

(a) *Life Annuity.* This form of annuity gives the largest life income provided by the law. It is paid for life and all payments cease upon death.

(b) *Cash Refund Annuity.* The annuity payments under this form are payable for life and if the member dies before the sum of the annuity payments which he has received equals the amount of his account used to purchase the annuity at the date of his retirement the difference will be paid in one sum to his estate or his beneficiary as the case may be. The annuity payments under this form are less than under option (a).

TABLE 6

ANNUITIES PURCHASED BY EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH AND OTHER PAYMENTS ON SAID DATE
(See Table 3 for average retirement allowance for 1938)

YEAR	BASIS FOR RETIREMENT		TOTAL ANNUITIES			ANNUITIES PAID NOV. 30TH	
	Age and Service (15 or More Yrs. Service)	PERMANENT DISABILITY		Granted During Year	Released by Deaths During Year	In Force November 30th	*Average Annuity on Said Date
		Ordinary	Accidental				
1934 .	\$14,322.48	\$92.16	\$141.24	\$14,555.88	\$3,082.07	\$74,765.00	\$137.94
1935 .	17,190.04	131.16	738.20	18,059.40	5,106.88	87,717.52	152.29
1936 .	15,748.20	105.36	122.28	15,975.84	6,403.57	97,289.79	165.74
1937 .	20,029.20	817.44	467.64	21,314.28	7,475.46	111,128.61	178.67
1938 .	21,656.40	205.44	128.64	21,990.48	7,655.73	125,463.36	188.66

The Retirement Association was organized June 1, 1912 and the Annuities cover only the period of service during which the Employee was a contributing member since said date.

*The Average Retirement allowance is the sum of the average annuity Table 6, and the average pension Table 7.

PENSION

The Pension is a definite amount guranateed for life without change in amount. It is paid from State appropriations and is equal to the annuity under option (a) to which the member was entitled from his own account. In order to make this annual payment, the State must create a fund as large as the member provides for himself. The employee and the State will each provide one-half of the Retirement Allowance Benefit. The pension is not reduced if the member chooses the option (b) annuity.

SUMMARY

To arrive at the cost or amount of retirement benefits, the figures quoted in table 6 must be combined with the figures quoted in table 7.

TABLE 7
TOTAL PENSIONS TO EMPLOYEES RETIRED DURING EACH YEAR ENDING NOVEMBER 30TH AND OTHER PAYMENTS ON SAID DATE.
(See Table 3 for Average Retirement Allowances for 1938)

YEAR	ANNUAL PENSIONS GRANTED			Total Pensions			*Average Pension on said Date	Largest Pension on said Date		
	Account of Age and Service divided as follows			Permanent Disability or Death Resulting from Accidental Injuries						
	(A) Service Prior to June 1, 1912	(B) Service after June 1, 1912	(C) To make Minimum Retirement Allowance	Pensions to Members	Pensions to Widows, etc.	Granted during Year				
1934	\$9,219.36	\$16,448.28	\$1,437.48	\$1,156.44	\$1,573.44	\$29,835.00	\$10,805.24	\$247,839.02		
1935	11,724.36	19,473.04	1,711.56	3,999.72	1,230.00	38,140.68	16,251.07	269,728.63		
1936	10,436.28	17,770.08	1,089.60	1,005.48	2,760.00	33,061.44	20,808.71	281,921.36		
1937	11,463.00	22,826.88	1,526.28	2,757.36	1,719.96	40,293.48	25,702.11	296,512.73		
1938	9,352.56	24,920.16	3,852.48	1,030.68	3,729.96	42,885.84	19,808.45	319,530.12		

At retirement a member receives a RETIREMENT ALLOWANCE. A retirement allowance is composed of two parts: PENSION (paid by the State) plus ANNUITY (paid from contributions plus interest credited to the member's account during his service).

Members began to contribute from salary or wages June 1, 1912, and the pension for service after 6-1-1912 is equivalent to the annuity purchased by the member without refund provisions. The entire cost of the retirement allowance (pension plus annuity) for service prior to 6-1-12 is paid by the State.

If the sum of pensions (A plus B) added to the ANNUITY (paid from member's savings plus interest additions) does not equal the minimum retirement benefit the State pays the additional pension (C) to make a minimum retirement allowance of \$300 for fifteen years of service. Any member retired after July 1, 1938, under age sixty-five with twenty or more years service, or at age sixty-five or over will receive a retirement allowance not less than \$480.

*The average retirement allowance is the sum of the average annuity Table 6, and the average pension Table 6.

TABLE 8
COMPARATIVE STATEMENT OF MEMBERSHIP, AS OF NOVEMBER 30

YEAR	Members Admitted during Year	Number to Beneficiaries or Estates of Deceased Members	REFUNDS	PERMANENT DISABILITY OR DEATH				RETIRING DURING YEAR				MEMBERS						
				Accidental Injuries received in Performance of duty		Ordinary	More Years Service Under Age 60 ²	Voluntary Service Under Age 60 to 70	Compulsory Service (age 60 to 70)	Retirement with Spouse		Non-members (Age 60 and Over)	Total Retired During Year (Dependents Excluded)	In Active Service Mortality	RETIRING			
				Mem bers	Dep end ent ¹					Wife	Hus band				Mem bers	Non-Mem bers	Dep end ents	
Totals	1912—	1,033	—	21	14	45	16	400	378	7	—	6	873	12,252	374	498	1	14
1934	1,333	78	incl.	1,151	2	1	1	43	27	2	—	—	76	12,325	31	543	1	16
1935	1,965	73	1,005	6	2	1	—	28	44	—	—	—	79	13,135	44	578	1	18
1936	2,752	67	1,039	2	3	1	—	22	36	—	1	—	62	14,708	51	589	1	21
1937	2,209	103	1,810	3	2	6	1	28	47	—	—	—	85	14,922	51	623	1	22
1938	3,820	93	1,262	1	3	2	—	34	49	1	—	1	87	17,296	45	666	1	24
Totals					35	26	56	18	555	581	10	1	7	1,262	—	596	—	—

Retirement association organized Feb. 1, 1912 with membership 3,324.

¹Payments to widow during widowhood, or if no widow, for benefit of child or children while under eighteen years of age, if death is the result of accidental injuries occurring in performance and within the scope of duty.

²Most members with 35 or more years of service retire between the retirement age periods of 60 to 70 years.

COPY OF ANNUAL STATEMENT OF THE CONDITION AND AFFAIRS
 OF THE STATE EMPLOYERS' RETIREMENT SYSTEM OF THE
 COMMONWEALTH OF MASSACHUSETTS FOR THE YEAR
 ENDED DEC. 31, 1938, MADE TO THE COMMISSIONER OF
 INSURANCE IN COMPLIANCE WITH THE PROVISIONS OF
 PARAGRAPH 4, SECTION 5, CHAPTER 32, GENERAL LAWS AS
 AMENDED BY CHAPTER 439, ACTS OF 1938.

INCOME

Members' deposits	\$1,266,619 33
Interest received on investments (less \$9,695.73 accrued interest paid on securities purchased during the year)	474,203 33
Members' deposits used to purchase annuities	\$131,347 38
Interest on same	61,086 78
	192,434 16
Adjustment in book value of securities (amortized values) . . . . .	.....
Securities sold (gain, selling price over cost) . . . . .	.....
Received from Commonwealth:	
For payment of pensions for service prior to June 1, 1912	\$142,430 26
For payment of pensions for service subsequent to June 1, 1912	129,852 36
For payment of pensions to employees over age 55 on June 1, 1912, who did not join retirement association	200 00
For payment of pensions to members retired for permanent accidental injuries	15,255 91
For payment to widows, or in case of no widow, to children because of death of parent from accidental injuries received in course of employment	20,658 39
	308,396 92
To cover loss in annuity 12-31-37	2,125 53
Credited to members' accounts:	
Regular interest at 3½% compounded annually	367,445 78
Interest credited to annuity reserve	28,065 00
Administration expenses:	
For reimbursement of State institutions	\$11,781 78
For salaries	5,477 00
For expenses	1,892 84
	19,151 62
Adjustment of refunds . . . . .	.....
Total income	\$2,658,441 67
Balance December 31, 1937	11,358,493 62
Total	\$14,016,935 29

DISBURSEMENTS

Deposits refunded, including interest, to members withdrawn from service	\$275,898 48
Deposits refunded, including interest, to representatives of deceased members	97,126 57
Adjustment of refunds . . . . .	.....
Members' deposits plus interest used to purchase annuities	192,434 16
Pensions paid to retired members and to dependents of members who died from injuries received in course of employment	308,396 92
Annuities paid to members from their contributions	118,419 75
Regular interest credited to members' accounts	367,445 78
Salaries and contingent expenses	19,151 62
Refunds to estates of deceased annuitants who at the time of their retirement elected the refund annuity option	16,747 20
Adjustment book value of securities (amortized values)	54,077 10
Interest credited to annuity reserve	28,065 00
Collection on securities . . . . .	.....
Total disbursements	\$1,477,763 58
Balance December 31, 1938	12,539,172 71
Total	\$14,016,935 29

LEDGER ASSETS

Investment par value Schedule A. \$11,894,107.15; amortized value	\$12,454,584 42
Cash	84,588 29

Total ledger assets	\$12,539,172 71
-------------------------------	-----------------

NON-LEDGER ASSETS

Accrued interest on investments	152,989 99
Deposits receivable from treasurers of institutions, etc.	110,877 75
Due from Commonwealth, net loss in annuity fund	8,430 07
Gross assets	\$12,811,470 52

LIABILITIES

Deposits of members including \$110,877.75 in hand of agents of the Board	\$8,920,255	59
Regular interest credited to members' accounts	2,840,027	49
Unpaid annuities due Dec. 31, 1938		
Refunds due estates of deceased annuitants who at the time of their retirement elected the refund annuity option	63	48
Annuity reserve	851,010	00
Annuity reserve (special)		
Surplus (undivided profits)	200,113	96
Total liabilities	\$12,811,470	52

MEMBERSHIP EXHIBIT

Members' accounts:

Active members December 31, 1937	14,973	
Accounts payable (Deaths inc.)	310	
Admitted during 1938	3,834	
		19,117

Deduct:

Members retired	86	
Members deceased	91	
Members left service	1,227	

Accounts closed during year	1,404	
Plus accounts payable	284	
" " " A/c deaths	32	
		1,720

Active accounts (members contributing on 12-31-38) 17,897
 Accounts payable (former employees not employed 12-31-38) amounting to (\$ 6,463.41)
 " " " to estate, etc., of deceased members (20,445.27)

Retired members:

Members retired December 31, 1937	624	
Members retired during 1938:		
Between 67-70 years age	35	
At age 70	47	
With 35 years' service under age 60	—	
Ordinary disability	2	
Accidental disability	1	
With spouse	1	
		86

Retired members who died during year 44

Members retired December 31, 1938 666

Non-members:

Pensions to widows account of death of husband from injuries received in line or duty (12-31-37)	23	
Number granted to widows during year	1	
		24
Widows deceased during year	—	
Total widows on list 12-31-38	24	
Pensioners under Sec. 5 (2) C (b) (Old Law)	1	
" " " Sec. 37D	1	
		26

Total on pension roll, December 31, 1938 692

We hereby certify that the above statement is a complete and correct exhibit of the financial condition of the Retirement System of the Commonwealth on the 31st day of December, 1938, to the best of our knowledge and belief.

WILLIAM E. HURLEY
REBECCA J. GREENE
HARRY SCHWARTZMAN, M.D. } *Board of Retirement.*

Subscribed and sworn to before me this twenty-seventh day of February, 1939.

A. HARRIS PATON,
Justice of the Peace.

SCHEDULE A
SECURITIES—(BONDS AND NOTES)

DESCRIPTION	PERCENT	DEC. 31, 1938 PAR VALUE
Agawam, Mass.	1 3/4	\$12,000.00
Akron, Ohio	6	16,000.00
" "	5 1/2	90,000.00
" "	5	54,200.00
" "	4 3/4	25,000.00
" "	4 1/2	10,000.00
" "	4 1/4	25,000.00
Alabama, State of	4 1/2	20,000.00
" "	4 1/4	25,000.00
Atlantic City, N. J.	2 1/2	29,000.00
Baltimore, Md.	5	75,000.00
Barre, Vt.	4	46,000.00
Barrington, R. I.	4	7,000.00
Bayonne, N. J.	5	10,000.00
Berlin, N. H.	4 1/2	20,000.00
Birmingham, Ala.	5	50,000.00
" "	4 1/2	52,000.00
" "	3 3/4	55,000.00
Boston, Mass.	5	1,000.00
" "	4 1/2	15,000.00
" "	4 1/4	298,000.00
" "	4	822,000.00
" "	3 3/4	23,000.00
" "	3 1/2	254,000.00
" "	2 3/4	51,000.00
" "	2 1/2	25,000.00
Boston, Met. District	3	60,000.00
Braintree, Mass.	3 1/2	29,000.00
Bridgeport, Ct.	5	10,000.00
" "	4 3/4	8,000.00
Bristol, Conn.	5	20,000.00
" "	4 1/2	11,000.00
Brockton, Mass.	4 3/4	7,000.00
" "	4 1/4	5,000.00
" "	4	16,000.00
Burrillville, R. I.	3 1/2	15,000.00
California State	4 1/4	25,000.00
State of California	4	25,000.00
California, State of	3 1/2	25,000.00
Cambridge, Mass.	5	10,000.00
" "	4 1/2	30,000.00
" "	4 1/4	20,000.00
" "	3 1/2	10,000.00
" "	2 1/2	46,000.00
" "	2	40,000.00
" "	1 1/2	20,000.00
Camden, N. J.	5 1/2	5,000.00
Canton, Ohio	6	19,000.00
" "	5 1/2	27,000.00
" "	5	35,000.00
" "	4 1/4	16,000.00
Chelsea, Mass.	4 1/4	21,000.00
" "	3 1/2	99,000.00
" "	2 1/2	19,000.00
Chicopee, Mass.	1 1/4	20,000.00
Cincinnati, Ohio	5	75,000.00
" "	4 1/2	37,000.00
Cleveland, Ohio	5 1/2	63,000.00
" "	5	61,000.00
" "	4 3/4	101,000.00
" "	4 1/2	45,000.00
Columbus, Ohio	5 1/2	11,000.00
" "	5	25,000.00
" "	4 1/2	69,000.00
" "	4	36,000.00
Cranston, R. I.	4 1/4	32,000.00
" "	4	50,000.00
Dallas, Texas	4 1/2	195,000.00
Danhury, Conn.	3 1/2	5,000.00
Dayton, Ohio	6	25,000.00
" "	5	30,000.00
" "	4 3/4	16,000.00
" "	4 1/2	52,000.00
" "	4	10,000.00
Dennis, Mass.	4	10,000.00
Denver, Colo.	4 1/4	100,000.00
Des Moines, Iowa	5	38,000.00
" "	4 1/2	50,000.00
Detroit, Mich.	5 1/4	5,000.00
" "	5	9,000.00
" "	4 1/2	75,000.00
" "	3 1/4	5,242.15

DESCRIPTION	RATE PERCENT	DEC. 31, 1938 PAR VALUE
Dover, N. H.	4 1/4	8,000.00
Elizabeth, N. J.	4 1/4	40,000.00
Everett, Mass.	4 1/4	10,000.00
" "	4	16,000.00
Fall River, Mass.	4 1/4	47,000.00
" "	4	40,000.00
" "	3 1/2	12,000.00
" "	2 3/4	20,000.00
" "	2	53,000.00
Fitchburg, Mass.	1 3/4	10,000.00
Flint, Mich.	4 1/2	15,000.00
" "	4 1/4	4,000.00
Fort Worth, Texas	3	875.00
" "	5	25,000.00
Framingham, Mass.	4 1/2	17,000.00
" "	4 1/4	20,000.00
Fresno, Calif.	4 1/2	4,000.00
Grand Rapids, Mich.	4 1/2	30,000.00
Haverhill, Mass.	3 3/4	62,000.00
" "	2	5,000.00
Holyoke, Mass.	4	10,000.00
Houston, Texas	4	29,000.00
" "	5	12,000.00
Illinois, State of	4 1/2	25,000.00
Ipswich, Mass.	3 1/4	2,340.00
Jersey City, N. J.	5 1/2	85,000.00
" "	5	50,000.00
" "	4 3/4	10,000.00
State of Kansas	4 1/2	50,000.00
Kansas City, Mo.	4 1/4	10,000.00
Lawrence, Mass.	5 3/4	50,000.00
" "	4	8,000.00
Leominster, Mass.	5	52,000.00
Lewiston, Me.	4 1/4	25,000.00
Lima, Ohio	6	2,000.00
Long Beach, California	5	40,000.00
" "	4 3/4	50,000.00
" "	4 1/2	27,500.00
" "	4 1/4	20,000.00
Lorain, Ohio	4	10,000.00
" "	6	8,250.00
" "	4 1/2	7,000.00
Los Angeles, California	5	183,000.00
Los Angeles, Harbor	4 3/4	10,000.00
Los Angeles, California	4 3/4	70,000.00
" "	4 1/2	25,000.00
" "	3 3/4	35,000.00
Louisiana, State of	5	25,000.00
" "	4 1/2	25,000.00
Louisiana Port Comm.	5	128,500.00
" "	4 3/4	5,000.00
Louisville, Ky.	4 1/2	5,000.00
Lowell, Mass.	3	10,000.00
" "	2 1/2	8,000.00
" "	2 1/4	80,000.00
Ludlow, Mass.	4	23,000.00
Lynchburg, Va.	5	25,000.00
Lynn, Mass.	4 1/4	15,000.00
" "	4	50,000.00
" "	3 3/4	72,000.00
" "	3 1/2	5,000.00
Malden, Mass.	4 1/4	4,000.00
Marlboro, Mass.	2	5,000.00
Mass. Add. Water Loan	4	50,000.00
Maynard, Mass.	3 3/4	40,000.00
Medford, Mass.	4 1/2	46,000.00
" "	4	10,000.00
" "	3 1/2	12,000.00
" "	3	18,000.00
" "	1 3/4	15,000.00
Methuen, Mass.	4 1/4	12,000.00
Met. Addit. Water Loan	4	50,000.00
Michigan, State of	5 3/4	122,000.00
" "	5	48,000.00
Michigan, Highway	4 1/2	100,000.00
Michigan, State of	4 1/2	54,000.00
Milford, Mass.	3	25,000.00
" "	2 1/4	10,000.00
Minneapolis, Minn.	4 3/4	48,000.00
" "	4	22,000.00
Minnesota, State of	4 3/4	235,000.00
" "	4 1/2	50,000.00
" "	4 1/4	50,000.00
Missouri, State of	4 1/4	25,000.00
Montgomery, Ala.	5	15,000.00

DESCRIPTION	RATE PERCENT	DEC. 31, 1938 PAR VALUE
Muskegon, Mich.	4 1/2	30,000.00
" "	4	35,000.00
Nashville, Tenn.	5	8,000.00
Newark, N. J.	5 1/2	10,000.00
" "	4 1/2	10,000.00
New Bedford, Mass.	5 1/4	900.00
" "	5	1,200.00
" "	4	8,200.00
" "	3 3/4	1,000.00
" "	3	500.00
" "	2 1/2	10,000.00
" "	2 1/4	25,000.00
" "	2	25,000.00
" "	1 3/4	36,300.00
Newburyport, Mass.	2 1/4	6,000.00
New Jersey, State of	5	23,000.00
" "	4 1/2	80,000.00
Newport, R. I.	4 1/2	5,000.00
New York, State of	4 1/4	12,000.00
No. Carolina, State of	4 1/2	3,000.00
" "	5	30,000.00
" "	4 1/2	99,000.00
" "	4 1/4	85,000.00
" "	4	35,000.00
Norwalk, Conn.	4	1,000.00
Oakland, Calif.	4 3/4	52,000.00
Oregon, State of	5	10,000.00
" "	4 1/2	25,000.00
Pasadena, Calif.	4 1/2	5,000.00
Pawtucket, R. I.	4 1/2	10,000.00
" "	4 1/4	10,000.00
Peabody, Mass.	4	17,000.00
Penn. State of	5	80,000.00
Philadelphia, Pa.	4 1/4	25,000.00
Pittsfield, Mass.	2 1/2	17,000.00
" "	4 1/4	3,000.00
Portland, Oregon	5	5,000.00
" "	4 1/2	46,000.00
Portland, Maine	4 1/4	25,000.00
Providence, R. I.	4 1/2	25,000.00
" "	4 1/4	35,000.00
" "	4	19,000.00
Quincy, Mass.	4 1/4	5,000.00
" "	2 3/4	25,000.00
" "	1 1/2	35,000.00
Reading, Mass.	4	10,000.00
Reading, Pa.	4	23,000.00
Revere, Mass.	4	11,000.00
" "	3 1/4	11,000.00
Richmond, Va.	5	44,000.00
" "	4 1/2	25,000.00
" "	4 1/4	50,000.00
Rochester, N. Y.	4 1/2	50,000.00
San Antonio, Texas	5 1/2	25,000.00
" "	5	10,000.00
San Bernardino, Calif.	4 1/4	21,500.00
San Diego, Calif.	5	87,000.00
" "	4 1/2	40,000.00
" "	4 1/4	20,000.00
San Francisco, Calif.	5 3/4	60,000.00
" "	5	152,000.00
" "	4 1/2	189,000.00
" "	4	30,000.00
" " " (City & County)	5	10,000.00
Santa Monica, Calif.	5	92,000.00
" "	4 1/2	51,000.00
Saugus, Mass.	2 3/4	24,000.00
" "	1 1/4	10,000.00
Seattle, Wash.	5	58,000.00
" "	4 1/2	40,000.00
" "	4 1/4	10,000.00
Somerville, Mass.	4	38,900.00
" "	1 3/4	12,000.00
Springfield, Mass.	3 3/4	73,000.00
" "	1 1/2	100,000.00
St. Louis, Mo.	4 1/2	70,000.00
" "	4 1/4	30,000.00
Stoughton, Mass.	3 3/4	5,000.00
St. Paul, Minn.	5 1/2	40,000.00
" "	4 1/2	29,000.00
" "	4 1/4	56,000.00
" "	4	15,000.00
Stamford, Conn.	4 1/4	10,000.00
Sudbury, Mass. Water Dist.	2 1/2	12,000.00
Superior, Wis.	4 1/2	14,000.00
Swampscott, Mass.	4 1/2	6,000.00
Tampa, Fla.	4	20,000.00

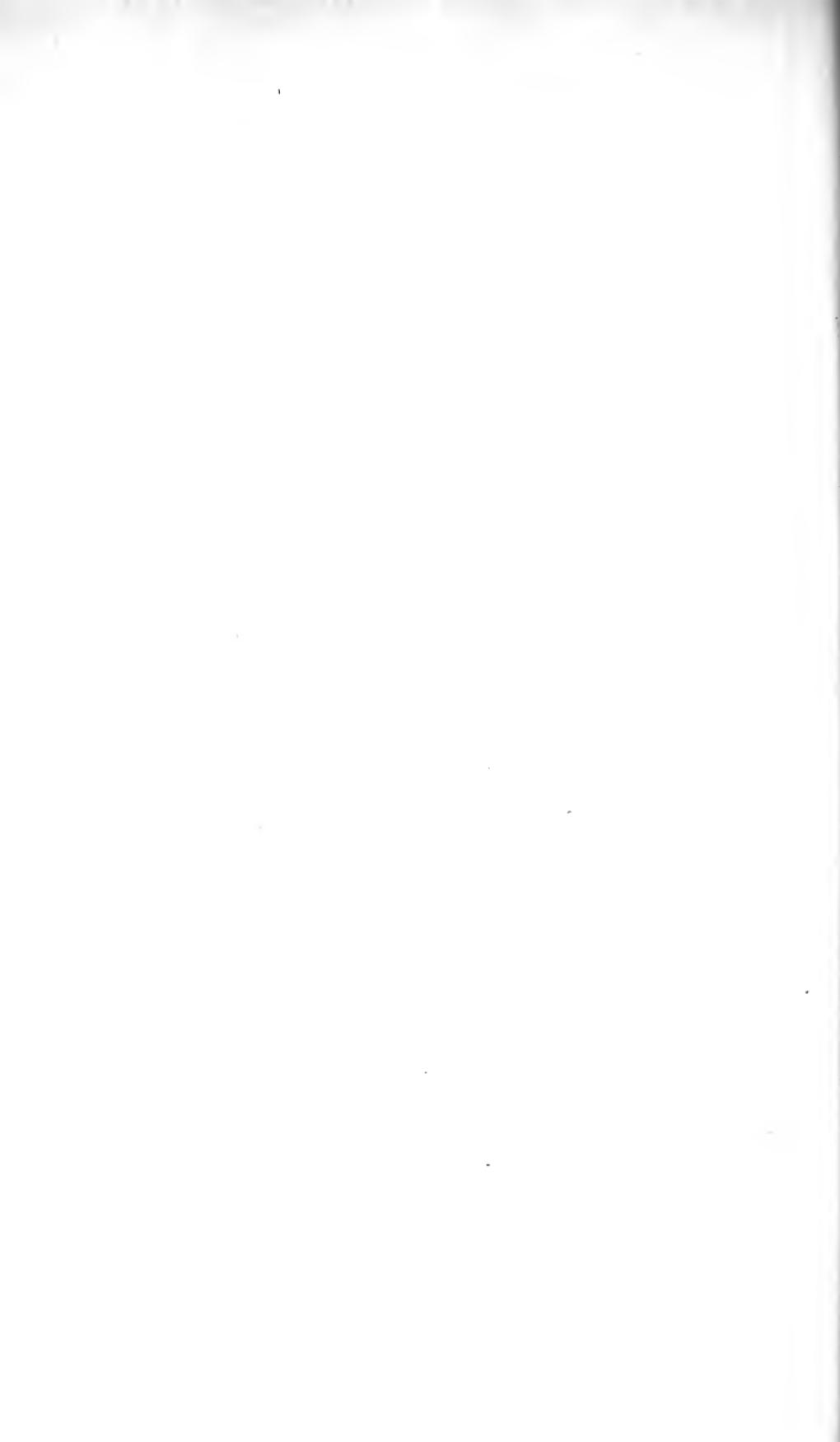
1975 877

DESCRIPTION	RATE PERCENT	DEC. 31, 1938 PAR VALUE
Taunton, Mass.	4	10,000.00
Tennessee, State of	5½	25,000.00
" "	5¼	5,000.00
" "	4¾	50,000.00
" "	3½	50,000.00
Toledo, Ohio	5	18,500.00
" "	4¾	12,000.00
" "	4½	19,000.00
Trenton, N. J.	5	17,000.00
" "	4½	20,000.00
U. S. Treasury	4¼	279,000.00
" "	3½	18,700.00
" "	3½	250,000.00
" "	3	100,000.00
" "	2½	11,000.00
" "	2½	308,000.00
Walpole, Mass.	4½	5,000.00
Waltham, Mass.	5	25,000.00
" "	4¼	6,000.00
" "	4	22,000.00
" "	3¾	20,000.00
" "	2½	6,000.00
" "	2	44,000.00
Warwick, R. I. Town of	4	26,000.00
Washington, State of	4	25,000.00
Waterbury, Conn.	4¼	5,000.00
West Virginia, State of	4½	9,000.00
" " " "	4¼	145,000.00
" " " "	4	21,000.00
Weymouth, Mass.	4½	5,000.00
" "	3¾	5,000.00
Wheeling, W. Va.	5	30,000.00
" "	4	15,000.00
Wilmington, N. C.	5	25,000.00
" "	4½	53,000.00
Woburn, Mass.	3½	31,000.00
" "	3	34,000.00
Woonsocket, R. I.	6	5,000.00
" "	5	5,000.00
" "	4½	17,000.00
Youngstown, Ohio	6	1,000.00
" "	5½	20,000.00
" "	5	5,000.00

NOTES

Blandford, Mass.	4¼	10,000.00
Dracut Water Supply	5¼	800.00
Pembroke, Mass.	3½	12,000.00
Revere, Mass.	4¼	42,000.00
Scituate, Mass.	4½	15,500.00

Amortized Value \$12,454,584.42 \$11,894,107.15



ACME
BOOKBINDING CO., INC.

MAY 6 1991

100 CAMBRIDGE STREET
CHARLESTOWN, MASS

